SINGLETON: Welcome, and thank you for joining us for today's event, hosted here by the Foundation for Defense of Democracies. It's Tuesday, June 4th, and today's panel will focus on examining innovative approaches to address the strategic challenges posed by Chinese belligerents in the Indo-Pacific.

I'm Craig Singleton. I'm a senior fellow here at FDD, and I'm also the senior director of our China Program.

We're pleased to have you with us. Some of you are in person, others are tuning in online, and others are listening to us via podcast.

Several recent high-level engagements between the US and China have been hailed as harbingers of great power progress, but this narrative really misses the mark. Instead, these meetings have merely extended this illusion of constructive engagement between the two superpowers, really reinforcing, rather than resolving, China's contentious course.

Nowhere is this divergence more clear than in the Taiwan Strait. Today's panel is focused on preparing for our conflict over Taiwan, but more than that, it's also about establishing a credible deterrent to ensure the specter of war remains distant and remote. That end state cannot be achieved haphazardly. It requires that the US and like-minded partners take deliberative steps today to shape the future that we'd like tomorrow, hopefully the one that's defined by peace and prosperity.

To discuss these and other issues, we have assembled an expert panel. Dmitri Alperovitch recently published "World on the Brink: How America Can Beat China in the Race for the 21st Century," co-authored with Garrett Graff. When he isn't publishing books, Dmitri serves as the co-founder and executive chairman of Silverado Policy Accelerator, an innovative nonprofit think tank focused on advancing American prosperity and global leadership in the 21st century.

Next, we have Ivan Kanapathy. He's a senior vice president at Beacon Global Strategies. Previously, Ivan served on the White House's National Security Council staff as director for China, Taiwan, and Mongolia and as deputy director for Asian Affairs.

Rounding off our panel is my colleague, Retired Admiral Mark Montgomery. Mark serves as the senior director of FDD's Center on Cyber and Technology Innovation, and he directs CSC 2.0, an initiative that works to implement the recommendations of the congressionally mandated Cyberspace Solarium Commission, where he served as executive director. Mark served 32 years in the U.S. Navy, many of those in the Indo-Pacific.

Today's conversation will be moderated by Ellen Nakashima, national security reporter at The Washington Post. Ellen has been a member of three Pulitzer Prize-winning teams while at the Post.

Before we dive in, a few quick words about FDD. For more than 20 years, FDD has operated as a fiercely independent, nonpartisan research institute focused exclusively on foreign policy and national security. As a point of pride and principle, we do not accept foreign government funding.

For more on our work, please log on to FDD.org, and follow us on X @FDD.

That's enough from me.
Ellen, it's over to you.

NAKASHIMA: Thank you, Craig, for the introduction.
Welcome, everyone, to this salon, and it feels like we're in a living room here. I'm going to just dive into a conversation. We're going to try to keep it as spontaneous and conversational as possible, and then leave room at the end for about 15 minutes of questions. I'm sure you all will have plenty of Q&A. So, let's – so, save up those questions.
All right, Dmitri, you open your book with a chilling scenario set in November 2028. Tell us – describe that scenario, why that date, and why you chose to open the book that way.

ALPEROVITCH: Yeah, so this is a scenario of invasion, and we go through quite a bit of detail of how this invasion might unfold. I actually spent a lot of time with Ivan. We were in Taiwan together last year, walking the terrain, and thinking through how this could do – you could do this, and this is a hellish place to invade. I can’t think of a worse place to invade than Taiwan –

NAKASHIMA: To be clear, we’re talking about a Chinese invasion –

ALPEROVITCH: Chinese.

NAKASHIMA: – right? Of Taiwan.

ALPEROVITCH: But, you know, it’s interesting to do this event this week because, of course, it’s the 80th anniversary of another amphibious invasion, of Normandy, but also, the 80th anniversary of a planned invasion that never took place, which was the US invasion of Taiwan, the so-called Operation Causeway that was developed in 1944.

And it’s interesting comparing and contrasting the two, because Normandy, of course, there were 160,000 Allied troops that landed on the beaches of Normandy, and a lot of the logistical support was done by these Mulberry ports that were built to support bringing logistics, armor, et cetera onto the Normandy beaches.

One of them was actually destroyed very shortly after the invasion, due to stormy weather, and we’ve seen how the deck that we built in Gaza lasted about five days before it floated away. Well, Taiwan waters, Taiwan Strait waters, are incredibly rough. I couldn’t even imagine building something like that in that environment, very shallow waters, very stormy, a lot of fog.

And the scenario, kind of, breaks some of the conventional wisdom that this would be, sort of, a Normandy 2.0 invasion of the beaches, sort of, a Saving Private Ryan, Chinese edition. And indeed, the Operation Causeway, the planned invasion of Taiwan, when you contrast it with Normandy, was really interesting, because it was not a beach invasion that the US was planning. It was a port invasion that they believed they absolutely needed to bring in the huge numbers of forces that would be required to take that island at that time, right?

So, 160,000 to invade Normandy; they planned for 450,000 U.S. troops to invade Taiwan. Part of the challenge that they had is that, at the time, the Taiwanese island, the island of Formosa, as it was called at the time, did not have many port facilities. And the key port was really in the south, that they planned to take. And then they – the plan called for spending months fighting upward, towards Taipei, across that island, against Japanese resistance, facing rivers, bridges, et cetera. Very, very difficult, which was ultimately why it was abandoned, and we invaded Okinawa.

Well, my plan also calls for a port – operation against a port, but luckily for the Chinese, unfortunately for the Taiwanese, they now have another option, which is the Port of Taipei that the Taiwanese helpfully built in the last 12 years – it was commissioned, I think, in 2012 – that is facing the Taiwan Strait, that leads straight into the – into Taipei. And the scenario that we developed calls for amphibious assault ships, the so-called Yushen-class Type 075 ships, that can carry about 800 troops each, and, more importantly, dozens of helicopters that can do –

NAKASHIMA: You think that’s the likeliest option?

ALPEROVITCH: I think so, because, if you don’t take the port of Taipei, you can’t unload at least the half a million, probably more, troops that you’re going to need to conquer this island of 23 million people, and the Yushen-class ships can carry dozens of –
NAKASHIMA: But –

ALPEROVITCH: – Z-8 and Z-20 helicopters. Those are troop-carrying helicopters, Z-10 attack gunship helicopters that you need to do an air assault on both the port facility, as well as the airfields that you want to take, both inside of Taipei as well as international airports.

(CROSSTALK)

NAKASHIMA: But you tee up the big question about whether or not the US is going to step in and defend Taiwan. You open the book that way. You don't answer the question. Why did you choose to write your – open your book that way?

ALPEROVITCH: Well, I think that is the fundamental question, and the rest of the book really talks about the importance of Taiwan, both to China and to us, why it is more strategically important than most other places in the world, and why I believe it is worth fighting for in a way that we have ruled out, of course, fighting for Ukraine and sending American troops there. Taiwan, I believe, is critical to containment of China to preventing them from dominating Asia, where you have 50 percent of the world's GDP, almost, most of the supply chains, most of the economic growth. You lose Taiwan, you lose East Asia, and you give Chinese a platform for global power production that I think would be a disaster for America.

NAKASHIMA: So, you're essentially trying to make the case that the US has to step in, and that Taiwan has to be prepared to make –

ALPEROVITCH: I do. I think that if Taiwan falls, it'll be the end of the American century, and we have to make sure that – the most important thing is to deter the invasion, right? There are three scenarios here. The Goldilocks scenario is, the Chinese never try. That's what we should strive for. If they try and lose, or if they try and win – I mean, obviously, it's better if they lose, but it'll be disaster both in terms of lives lost, infrastructure destroyed, global depression, and the like.

NAKASHIMA: And finally, why did you choose November 13th, 2028?

ALPEROVITCH: So, I do believe that the – opening the window for launching an invasion starts in 2028. I think it could potentially close in 2032, potentially the end of Xi Jinping's reign. He's going to be 79 in 2032; may not necessarily get another term at that point; also, health reasons may play a role, as well. But in 2028, you get past his reelection, his likely reelection, in the Chinese Party Congress in '27, and he, kind of, has his hands free at that point to look at his last term, potentially last term in power, and to try to do this.

'28 is also an interesting year because there's a lot of distraction for us and the Taiwanese. There's a Taiwanese election, legislative and presidential, in January, a potential inauguration of a new president in May. You have the Los Angeles Olympics that summer that are going to be distracting for us, so we're going to be paying attention to nothing but that.

And then, of course, the November election for us, where it's now clear that neither President Biden nor President Trump, regardless of who wins in November, is going to be president at that point; potential for a lame-duck administration, national security folks leaving the government.

And, by the way, if you have a lame-duck administration, the decision to defend Taiwan is a – big enough as it is. The last thing you want is for that decision to be made by a president that is going to be gone in two or three months, right? That's a really tough call.
NAKASHIMA: Yeah. And clearly, there's a lot of debate around Washington about when, and whether, China will choose to invade or attack Taiwan, and the, you know, CIA director has made clear that he—that intelligences that Xi Jinping has directed, or ordered, the PLA [People's Liberation Army] to be ready to invade Taiwan by force, and take it by force if necessary, but not that it necessarily will do so in 2027. And the, you know, Secretary of Defense, top defense officials, have often said, "Look, we don't think it's imminent." So, the big question is between now and whenever they might choose to invade, can the US build up enough deterrent force—force posture to deter an attack? Can Taiwan be in place?

Ivan, you helped Dmitri develop this scenario on your trip to Taiwan. You were a U.S. military attaché in Taiwan, and a TOPGUN fighter pilot instructor, I have to also add. How prepared, in your view, is Taiwan to fend off an attack today? Can it be ready to fend off an attack tomorrow? And how prepared is the US to help Taiwan?

KANAPATHY: Well, first, thanks, Ellen. It's great to be here. Thanks, Craig, Mark, for having us. It's great to be here with Dmitri. And before I answer that, I'll note that in addition to the anniversary of Normandy invasion, today is the 35th anniversary of Tiananmen Square, and I think that's an important thing to remember, and obviously, has direct impacts on what we're talking about here today, and we should not forget, and should not stop calling for an accountability of what happened then.

But to answer your question, Ellen, I think it's a question—it's not so much that we need to achieve deterrence; it's a question of not allowing deterrence to erode to the point where Chinese Communist Party, Xi Jinping, believe that they have a shot, because, I think, for the last, you know, 40, 50 years, they have not had the capability, you know, the capability and capacity militarily, to achieve that. And we saw them try in the '40s. We saw them try in the '50s, in 1995 and '96. All they could do is not get to Taiwan still then. And, quite frankly, we've seen it in the last couple years, including just last week, right? Where you're seeing demonstrations to send a political signal, but I think behind those demonstrations is extreme frustration that they cannot count on achieving the goal of taking control of Formosa, Taiwan, right?

And so, the onus is on us, well, on Taiwan. You asked about, I think that there is still time for them to accelerate, but really dramatically accelerate, some of the changes that we've been talking about in investments to maintain that deterrence, because the PLA is investing so much, so fast.

And look, the one thing we should not, sort of, rest of our laurels on is the flattening, if you will, Chinese economy. That is not going to slow down, you know, the military buildup. In fact, there's an argument that it might actually speed it up, right?

ALPEROVITCH: It certainly didn’t with Putin.

KANAPATHY: That's right, exactly. So, I think those are important, and the US has to do its part to create the posture, the capabilities, and really, I think, for both the United States and Taiwan and allies, you know, the munitions, the magazines that we don't have right now, to actually face this fight. And the best way to deter is to be able to execute the fight, right, in a very convincing way.

NAKASHIMA: Is to what? Sorry?

KANAPATHY: To be able to execute in a convincing way.

MONTGOMERY: One thing I'd pick up on—you know, you asked, where is Taiwan not ready? And I know we'll talk—

NAKASHIMA: Yeah.
MONTGOMERY: – later about some of their spending and things. But one area that has really worried me, and the book gets at it, is that Taiwan does not have an effective reserves. When you’re facing this kind of authoritarian regime, where you – and you think about countries like, you know, that are going to be in all-out, multi-front wars like Israel, some of our Baltic partners, Finland, they have a very developed reserve concept, where a reserve that’s about seven or eight times the size of active-duty service, constantly, consistently trained, regionally organized, they don’t have any of that. They have a fake reserve. They have two million people in the reserves. You know, they get training on about an every 10- or 12-year basis. That’s not a reserves. The Israelis’ reservists get training on a every 10- or 12-week basis, and the Baltic states are in the same kind of thing, the –

So, there is a really big area for improvement, and one that would really serve as a good deterrent. If China saw the reserves getting better, getting equipment, that's the kind of deterrent messaging you could send, so that's something we really have to work on with Taiwan over the next two to three years.

NAKASHIMA: Was there one – one thing in particular, Ivan, you saw that – beyond the good point that Mark just made about reserves, that – do you think Taiwan needs to focus on in order to be better prepared to defend itself?

KANAPATHY: So, in my view – this goes back to what Dmitri was saying – the number-one – sort of the primary mission – and the reserves are very important to do a territorial defense and create that deterrence. But the primary goal is to prevent what we call lodgment, which would be a takeover of a seaport, basically; also, maybe an airport, but a way to continue to flow those massive forces that they would need, some of which would be heavy, in. And that can only be done, you know, you can't do all of that on a beach.

So, preventing that lodgment is critical. I think the primary method would be short- and medium-range, frankly, air and anti-ship defense, anti-air and anti-ship defense.

ALPEROVITCH: If I can add, the other possibility here, which Taiwan should definitely prepare for, is the destruction of that infrastructure, right?

This was really key in Ukraine. When I was there last, I was meeting with their general staff and talking about the battle of Kyiv. And there was one moment that I think defined, really, the outcome of this whole war, which is when a fairly low-level commander in the Ukrainian military took it upon himself, with no orders, to shell and destroy the runways of Hostomel Airport, where the Russians had planned to land their airborne forces and drive into Kyiv and try to decapitate the regime. He shelled it. They couldn't land as a result. They had to go by land. It took four or five days to get there. By that time, the defenses around Kyiv was – were prepared, and the entire war was basically lost in that moment.

That Port of Taipei that I talked about, that I think is critical to this invasion, can be blockaded, right? You can sink a container ship at the opening of that port, and nothing's going to get in. The river, that is also really important in my scenario, that is right next to that port, that you can have these Air Cushion (LCAC) boats that can go down that river in about 10 minutes, and be in the heart of the government district of Taipei to do an assault on the presidential palace, and the Ministry of National Defense, and other key facilities, can be blockaded, right? The airfields can be destroyed, but that is really valuable infrastructure. That port – the Taiwanese have spent billions of dollars building. Will they have the nerve to destroy it early on enough? And will their command and control be in a good enough shape, where that order can be given to the commanders to destroy it? And if the order does not come, will they take the initiative to do it on their own like the Ukrainians did?

I have my doubts, and that's why they need to be thinking about this in advance, preparing, right? It's not easy to destroy a port facility. So, you need to make sure that when the time comes, you can do it.

NAKASHIMA: What's your sense, Ivan and Mark? You're closer to the government there in Taiwan. Would they take that order? How – how – how forward-thinking are they about these –
KANAPATHY: So, destroying a port is a tall order. I – I think even, you know, a step short of that, mining – defensive mining is also a really hard decision to make. It's – you know, it – there are these situations where your enemy, the adversary, the aggressor, could do faints, right? And we could see that happening in the next few years, to get you to start taking defensive actions, and then maybe they're like ‘Ah, maybe we'll come back next year,’ right?

And so, there is a little bit of gamesmanship in both sides, but I think once the adversary's committed, that is a – you know, what we would call a Tier 0 decision. That's a President Lai Ching-te-level decision. It has to be. And hopefully, he'll make the right call at the right time.

ALPEROVITCH: And hopefully, the order gets to the right people.

KANAPATHY: Yeah – yeah.

MONTGOMERY: For – you know, I think the Taiwans will do it. They may not do it in time, right? I mean, it'll be a really close-run thing. I – what won't happen is, we won't do what the Brits did to the French Navy, you know, in World War II and, you know, sink it before the Germans can capture it, right?

You know – and so, you know, I don't think a third party's going to intervene and get rid of –

NAKASHIMA: So, what do you think the US will do, or should do, maybe is the question?

And also, I'll frame that with saying, Ivan, your scenario for Taiwan kind of posits what a – one month – you say Taiwan needs to be able to hold off the Chinese on its own for about one month before the US can flow troops in –

KANAPATHY: Yeah.

NAKASHIMA: Two months?

KANAPATHY: I think about two. I – yeah, I would argue it will take a month for political decision-making on the U.S. side. This assumes the Chinese don't strike, you know, Japan or the United States, right? If they do not, then it's going to take a month for, sort of, political decision-making, coalition building, and sort of force flow, right? We have to – we have a lot of stuff to get to the Western Pacific, to then, sort of, another – a second month, I would suggest, at least, to, quote-unquote, 'fight our way in' or peel back the layers. And there's –

NAKASHIMA: You don't think we would –

KANAPATHY: – there's ways to get through.

NAKASHIMA: – have intel in advance to know that there's an invasion coming, and we should plan this out beforehand?

KANAPATHY: I think we – I think we'll have a lot of ambiguous intel. If the question is how much unambiguous warning will we have, because, you know, committing – Mark knows better than me, like, force flow and, like, mobilizing, you know, bringing people home from leave and deployments and saying – like, that's a serious decision on the U.S. part. So, how sure are we that they're going to go? And it's going to be more toward the later stages that we have confidence.

ALPEROVITCH: Yeah, the one problem here, though, from the Chinese perspective, is that you can't count on the US being out, right? If they had complete confidence that we would stay out of this conflict, they could invade, basically, tomorrow – I mean, not quite tomorrow, but very, very quickly, because the Taiwanese, I don't think, can handle – hold out on their own.

But they don't have that confidence. So, if they're going to go in, they may choose to strike us first to keep us – to try to at least keep us out, in terms of capabilities in the region, and that means that we're actually, of course, going to be fully committed.
NAKASHIMA: Mark, you were at INDOPACOM. You were head of operations for three years. You worked on some of these, you know, force posture, innovative concepts, to plan or prepare for a potential conflict. What are some of those most innovative concepts? Do you see any of them actually being tried out now, and could they make a difference?

MONTGOMERY: So, yeah, there is some good news. And first – and I would say – I am though less optimistic than Ivan on how long we have. I think we have about two to three weeks after lodgment – two to three weeks of Chinese air power over the island with lodgment. I don't think that Taiwan can survive that.

So, if Ivan's right and it's going to take us a month to get our act together, then we'll fail. So, there is a whole political decision-making side to this. And you're absolutely right, it's informed by the intelligence. And this administration has developed a new policy of aggressively releasing intelligence and creating a public, you know, trust, and – trust among your allies and partners – you know, a consensus about what's going on.

So, I think it'll be –

ALPEROVITCH: I call it the distribution to allies plan.

MONTGOMERY: Yeah. So – yeah, the – so first, I would say that. Now, on that idea of concepts, a lot is happening. And I give a lot of credit to INDOPACOM, but also to the administration. The first area we really need to work – and to Congress, cause the first area is exercising.

Right now, we and the Taiwans are what's called deconflicted, like, you go left, I go right, let's not get near each other. We have to, you know, get up to coordinated, then integrated. There's levels of cooperation between allies. We're at the very lowest level with Taiwan. It – we kind of say, '2 + 2 = 3.' We're – we – you know, the sum is less effective than the parts.

That's due to 40 years – we stopped exercising in 1981, cold turkey. Congress ordered – has asked for exercising for a decade, in successive Congresses. They got tired of that in 2023, and ordered it in the Taiwan Enhanced Resilience Act, and it started last – late last year and is going on now. We're doing naval exercises. I think we'll get to air exercises soon. These are important. You have to be able to operate with them. It'll improve our ability.

And the second part of that's the joint training team in Taiwan. It's anywhere from 250 to 350 people, depending on how recently you, or somebody else, wrote an article on it. You write an article, DOD gets tight, and they reduce the number of people there. I mean, seriously, this is the ridiculousness of it.

It should be about 1,000 people. We've put a lot more money into the Taiwan – the INDOPACOM supplemental that was with the Ukraine and Israel supplementals –

(CROSSTALK)

NAKASHIMA: It was 3.9 billion, or something?

MONTGOMERY: That's the FMF [Foreign Military Financing] and PD – Presidential Drawdown Authority for Taiwan.

NAKASHIMA: OK.

MONTGOMERY: There's actually specific money for the joint training team, supplemental money to do that.

NAKASHIMA: How much?

MONTGOMERY: I think it's in the – less than 100 million added in, but that's just bodies. It's buying TDY [Temporary Duty] bodies to go train and work, and that's what you need. You need – you – principally, U.S. Army in this case, but all services with a joint color to them, you know, working with their Taiwan counterparts to bring them up. So, the first was exercising.
The second is posture. You know, we are moving our forces around. We're getting more submarines in Guam. We have, over a decade, shifted a few more submarines to the Pacific from the Atlantic in the context of a declining submarine force. But the, you know, we need to actually have U.S. forces rotate through Taiwan, in my opinion.

We've developed something called the Marine Littoral Regiment for fighting in an island structure in the Pacific. I would say Taiwan is an island in the Pacific under threat, but, you know, I'm sure we can't do every exercise in the Philippines. At some point, we need to do some of them. So, we're building a regiment in Okinawa, a regiment in Hawaii, a regiment in Guam.

Those three regiments need to rotate through. If I were in charge, I'd run it like Zapad, where after – Russians do in Zapad. After every exercise, I'd leave gear behind. I mean, that's how they got ready for Ukraine. But there's other things we can do.

You mentioned – Ivan mentioned munitions. Congress ordered the department to start storing more Taiwan-specific munitions in Asia.

I'd go one step further and have Congress order a War Reserve Supplemental Allies (sic). It's called WRSA. There's one in Israel and one in Korea. I'd put one in Taiwan. It's bunkers in Taiwan with weapons either one of our countries could use. Clearly, our intent is Taiwan. And that's because there's – this isn't going to be like Ukraine. There's no Poland, Slovenia, Romania, the logistic paths into Ukraine. It's going to be very dangerous to resupply Ukraine, if not impossible –

ALPEROVITCH: Taiwan.

MONTGOMERY: – I mean Taiwan, if not impossible. And I'll give you one other one. We have to be innovative on weapons systems. You know, we've talked – I've written a bunch about something called MacGyvering Harpoon. We need to give them our old, demilitarized Navy Harpoon missiles. We can give them to them for about 5 cents on the dollar of buying a new one.

These are really cost-effective. We're only not doing it because the services get tight about doing anything with transfer of technology. But we have to – Taiwan is either an ally or our partner, or they're not. And so, we have to do that.

There's other weapons systems we could talk about later. But, I mean, there are concepts coming, but the big ones are these operational concepts of exercising and posturing and pre-positioning.

NAKASHIMA: Should the US be giving Taiwan more assistance, or should Taiwan, a fairly wealthy, you know, partner, be spending more on its own defense, as some people say? Some say it should be spending 10 percent of GDP.

MONTGOMERY: Yeah. I think, yeah, I've disagreed with the British on a lot on this. I think that's one that even the British might think was a bridge too far. You know, look, democracies spend – even democracies under threat. So, Republic of Korea, 3.3 percent; Israel, 5.5 percent; Ukraine before the war, you know, 3 percent; the United States, 3.2 percent.

The idea that – and Taiwan was low. They were 1.5. They've raised it to 2.5 percent and they've been – and this is in the context of the – one of the fastest growing GDPs in the world. I mean, that's a tough number they're tracking to and they've gotten up to 2.5 percent. So, yes, their GDP is still 1/20th the size of China's. They are not going to be able to handle China on their own.

Us giving what might end up being, you know, two – 1.5 billion of the 1.9 – of the 2 billion in FMF. So, about 1.5 billion FMF and 1.9 billion in Presidential Drawdown Authority. That's 3.4, is still less than we give Israel in a peacetime year.

ALPEROVITCH: As an aside, I find the comparisons of military spending to GDP completely ridiculous, whether it's here, or in Taiwan, or anywhere else, because it has no bearing on budgets, of course.
And by the way, GDP can go down in recessions. Does that mean you cut military spending? Right? I mean, it just doesn't make a whole lot of sense. You know, you can talk about percentage of overall budget, potentially, for your military spending, but comparison to GDP, I just don't find helpful.

NAKASHIMA: So, Dmitri, some, including Taiwan's deputy foreign minister, have argued that China is more likely to try to blockade Taiwan. We talked a little bit about this earlier, but do you think it's the tactic that China will take is more to blockade it than to invade it, to take it without a fight, you know, outright? What do you think?

ALPEROVITCH: Yeah, I have a piece coming out this week in *War on the Rocks* that looks at this in detail.

Look, I believe that if China were to take Taiwan, the only path is a full-scale invasion. All this stuff about grey-zone tactics, blockades, you know, half measures in terms of customs and immigration, attempts to curtail trade with Taiwan, or flow of people, is not going to work because, first of all, there's no historical precedent for it.

You know, you can look at, in the last 100 years, not even countries that have experienced sieges, but cities, like the Siege of Leningrad, two years of Nazis starving that city to death, basically, almost 1.1 million people have died, did not surrender. Or, more recently in the 1990s, the Siege of Sarajevo, four and a half years, 65,000 casualties, did not surrender.

The idea that a country of 23 million people that, by the way, knows what's going to happen if they surrender, the Chinese are pretty clear about this – re-education camps. They can look at Xinjiang to see if they like that experience or not. They know the stakes. So, the idea that they would surrender, I think, is just nonsense.

And, by the way, most people don't appreciate this, Taiwan is a lot more self-sufficient than most people give it credit to. A lot of people quote that they import a lot of food. They do. So do we, right? It doesn't mean that you can't be self-sufficient.

So, yes, the number-one food import for them is actually beef from the United States. Well, you can survive without Angus well-done steak, or rare, whatever your preference is. They have a lot of fish. They produce a lot of rice, vegetables, pineapples. They're not going to be starving to death.

They import a lot of energy. That's true. About 98 percent of their energy is imported, although that's changing, because they're investing a lot in solar. They have offshore wind farms. They have hydro. They have some nuclear, although they're trying to decommission it. But the point is, like, they're not going to be completely without energy.

And also, unlike Ukraine, it's a tropical climate. No one's going to be freezing to death there, right? So, economically, things will certainly be quite terrible, but it will be nowhere near what it's like in Ukraine right now, potentially during the winter, and the Ukrainians are not surrendering. Why would the Taiwanese surrender?

And, more importantly, if you game it out, the first thing I would do if I'm Taiwan is declare independence if I'm being blockaded. And the first thing I would do if I'm the United States that wants to break this blockade, because, by the way, the impact to our economy would be huge because we're so reliant on Taiwanese chips and the like, and microelectronics, is tell the Chinese that unless they drop this blockade in 24 hours, we're recognizing Taiwan's independence, right?

So, if you're China, if you're doing this blockade, what you're going to end up with is a change to the status quo where Taiwan is independent, US, and maybe other allies, recognize that independence, and you don't – you're not more close to taking that island.

And, by the way, finally, if this was so easy and this was so assured, they would have done it already, because they can blockade it today. Why haven't they done so?

NAKASHIMA: Ivan, what do you think about the – Taiwan?
KANAPATHY: Yeah, I've written on this, too. And I think that the grey zone, up to and including a blockade, is not a smart move if you're Xi Jinping, right? And I think we've seen, sort of, lower-level grey zone over the years, including the last few years accelerating.

And what – the impact it's had on the population in Taiwan is undeniable, right? Especially around the years when Hong Kong kind of went down with the national security legislation.

But Taiwanese, you know, especially younger generations, don't want to have anything to do with unification with China, which only, you know, the pressure, the continued pressure you put on, even if it's as coercive as it gets, as, kind of, Dmitri was saying, right? I mean, there were massive bombing campaigns in World War II that did not induce surrender until, you know, atomic bombs, obviously. But so, I think the idea that Xi Jinping would invest in this with any confidence seems far-fetched, I think.

ALPEROVITCH: Maybe you can also comment on the last question of why we're providing aid to Taiwan, because you have a great answer on that, right?

KANAPATHY: Yeah, so on the assistance to Taiwan, all of the above is required, right? They do need to spend more, but I think it's actually very useful for the United States to provide assistance for political reasons.

And the main thing is that there's a lot of disinformation, or misinformation, a lot of which originates in China, that says, hey, the United States is in Taiwan. They're just selling you – hey they're actually stirring up trouble, creating crisis and conflict in the Western Pacific so they can sell you more weapons. And then they're going to overcharge you for their weapons, because no one else will sell them to you.

And that's a very prevalent storyline in Taiwan that causes, you know, people to think twice about, one, U.S. reliability and U.S. intentions, obviously. And so, the fact that the US is willing to put our own taxpayer skin in the game, if you will, I think, sends a really strong signal about our true intentions.

NAKASHIMA: But are the weapons getting to them fast enough, given the backlogs with the defense industrial base?

MONTGOMERY: Got it. No. What's amazing is, I used to think it was like an intentional friction in the system. I mean, how can it take nine years from an ordering of a harpoon system to delivery? And then you find out, no, that's the plan, like, that's the DOD's plan with [Department of] State, with all the reviews and the contract development and defense support services and the involvement of the services.

The services take the longest amount of time. We actually have a completely broken foreign military sales and foreign military financing program. It's beyond, well beyond Taiwan. It involves lots of others. Very few countries operate smoothly, and there's Israel being one of the exceptions. And that's because it was such a large amount and it was, you know, over the years, it's become greased.

We have to, in a prioritized way, fix FMS [Foreign Military Sales]. But I'd start with Taiwan. And what I would say is, we learned in the Ukraine example that we can break the rules and get things done faster and safely, and get things procured in U.S. factories for rapid distribution in Ukraine. And we've done that.

So, from my perspective, it's a choice, and it's a choice to create a bureaucratic system that involves no risk for anyone involved in a decision. And it's really hurting our key allies and partners.

And Taiwan is a perfect case of that where Javelins took nine years. Stingers took 11 years, or – excuse me, eight years. Harpoons will take nine years. F-16s are moving reasonably fast, but that's because we've sold tons of F-16s to like 35 countries around the world. And that happened to be a pretty greased system.
ALPEROVITCH: How much, Mark, do you think that is because we don't trust them? They're so infiltrated by Chinese spies, and the like?

MONTGOMERY: I – honestly, I don't think – again, I thought for a while this had to be a Taiwan-specific thing. I've now just come to realize it's gross incompetence, not, you know, it's a macro-incompetence, not a micro-incompetence.

NAKASHIMA: OK, to your question about infiltration of Chinese spies, and the whole – when we go back to grey-zone tactics, asymmetric tactics, talk a little bit about, any of you, the cyber threat from China to Taiwan, both in terms of penetrating critical infrastructure, you know, getting into their intel systems or classified systems, and the influence operations that, you know – Ivan, I think you're saying really haven't had much success or traction in changing minds or behavior.

ALPEROVITCH: Yeah, I think it's really interesting. The Chinese will have a really interesting dilemma on their hands if they go, And cyber can play either a significant role or no role whatsoever, because the critical decision point for them would be, do you cut off the cables, and turn Taiwan totally dark because they're so reliant on submarine cables for Internet access? And then, you can also do localized jamming of any other forms of communication, targeting satellites, etcetera.

So, you can effectively almost blockade them from an information perspective. Of course, if you do that, then you can't attack them because they're disconnected. So, there's a tradeoff there of intel gain versus disrupting effects. My guess is they would probably go for turning off Taiwan, because affecting their C2 [Command and Control] is going to be probably more important than doing anything localized in cyber.

And you've seen this in Russia-Ukraine, where, yes, they've done a few disruptive attacks against energy grid and etcetera, but mostly, they focus on kinetic strikes. That's what ultimately has the effect. They have the world's largest rocket and missile forces. They can cover all of Taiwan.

So, I think they're going to prioritize that over cyber. Cyber is going to be important in the lead up to the conflict and certainly collecting intelligence and penetrating their networks and decision-making. But when it gets to t-zero, I think they cut everything off.

MONTGOMERY: I'd also say, if you extend the battlefield to Hawaii and the United States, I think cyber is going to play a role for us, because I think that what Volt Typhoon showed, but – and I promise you –

NAKASHIMA: A Chinese campaign, right.

MONTGOMERY: Chinese campaign by an advanced, persistent threat team to put malicious payloads, cyber payloads, in our critical infrastructure. And they went for the right things. They went for our military mobility, rail, ports, aviation, our economic productivity, electrical power, financial services, water, things like that.

You know, these key sectors that are not defended by the Department of Defense, right? They're defended by public utilities and private companies, and not to the degree that they can fend off an advanced, persistent threat team. They could use these to either signal us in a buildup, like, that we have you – we have you tattooed. Do not join this fight.

Or, they can wait and use them as we begin to mobilize forces and really put a crimp on that, whether it's two weeks or four weeks or whatever it is. Ivan's, what he mentioned, the mobilization will take another two or four weeks longer, and we are exceptionally vulnerable.
We've known this. It is like, I mean, the commission I worked on, reported on, Dmitri's written on, a lot of us have talked about this over the last three or four, five, six years. The problem is, the solution involves doing things that, you know, the capability to do something about it tends to reside in the intelligence community and the Department of Defense. Two organizations not welcome to peruse around the U.S. private sector are the Department of Defense and the intelligence communities.

So, you know, the solution sits in agencies that aren't easily welcome. We're struggling with how to fix that. We're struggling with how to build – how to work better with the private sector. And the private sector is struggling with, how do you pay for something you weren't planning on? You know, this kind of cybersecurity investment. So, all those factors go into a very poor response.

And I think Jen Easterly, the director of CISA [Cybersecurity and Infrastructure Security Agency], has done a pretty good job highlighting this. But the reality is we have not moved the bar far on solving the problem right now. And so, I do worry about it. I do think that operational preparation in the environment, that's what, kind of, the term for it would be, is also occurring in Taiwan.

But, like Dmitri said, if you cut off – if you cut the cables, then the Chinese can't take advantage of all the payloads they load. I mean, they're going to have an interesting conundrum. But I do think Taiwan's going to be in a lot of trouble.

**ALPEROVITCH:** I will say this, though, from a resiliency perspective, we would do well to not think of this as a cyber-on-cyber engagement, right? So, if you're worried, for example, about water utilities in Guam, let's say, or electric utilities there, one thing you could do, of course, is try to build up cyber capabilities to defend them. The other thing you could do is stockpile bottled water, and generators, and other things that we know how to do, because FEMA does it all the time during hurricanes and typhoons and the like.

So, you can't think of this as a cyber problem. You have to think about it as an infrastructure resiliency issue. And when you step out of the cyber domain, turns out you have a lot of options, and we actually know how to do things. So, bring in FEMA into this discussion, don't just have CISA alone try to manage it.

**NAKASHIMA:** Can I ask a step-back question here? Some of you have been in government off and on over the years, and at least three different administrations now have tried to undertake a pivot, or a tilt, or whatever it is, rebalancing towards Asia. And, you know, part of that involves some actually hard choices and tradeoffs that really weren't made. And every time an administration, say the Obama administration, 2011 and after, tried to pivot events in the Middle East, you know, distract them, that just recently, the former head of INDOPACOM, Admiral Aquilino, put in his, you know, was it a $13 billion unfunded priorities list? The highest ever?

Do you think the U.S. government has now actually clearly signaled it is ready to change, it's putting money up against this priority, or where do they stand in this shift pivot, or whatever you want to call it, leaning tilt toward Asia? What do they need to do?

**ALPEROVITCH:** Let me just quickly answer. I don't think so, because you have to start with defining the problem for the American public, which we have not done. As I argue in the book, we are unquestionably in a Cold War II with China. There's just – and, by the way, in the book, I compare it to the first Cold War on virtually every element of that competition. A competition for global supremacy, an arms race, a space race, for God's sakes.

Does that sound familiar? You know, economic warfare, spy war, you name it, it's identical to the first Cold War. But the administration is not willing to say that. In fact, you have President Biden saying that we don't want to be in a Cold War. Well, that sounds really strange to me, because if you're in a bar fight, you either decide to fight or you decide to surrender, but you don't have another choice, right? And I don't think we want to surrender.
So, you have to define it, that we’re in a Cold War, and then, a lot of these policy debates get resolved very quickly because you know you're in a conflict, and you know that you need to do things quickly, and you know that other considerations, like economics, for example, or debate about cooperation on issues like fentanyl or whatever, which the Chinese are not helping us anyway, kind of fall by the wayside, because you know that the Cold War is the most important thing, right?

And we haven’t done that. And without that clear definition that drives both the policy process as well as the American public, I don’t think you’re going to get there.

**NAKASHIMA:** Another way of putting that is, the administration likes to talk about managing competition. And as another – Matt Pottinger and Mike Gallagher, in their *Foreign Affairs* piece recently said, the US ought not to manage the competition but win it. I think you agree with them. What do you think winning the competition looks like, or should look like? What are the –

**ALPEROVITCH:** Yes. This is where I probably disagree with Matt and Mike, even though they’re friends and I respect them greatly, but they sort of define victory as the end of the CCP, which I think is going a step too far. A, there’s nothing we can do to affect the CCP, in my mind. And to be honest with you, I don’t know about how everyone else feels, but I’m kind of done with the regime change adventures, particularly with China.

I don’t think that's smart to do at all. And you don’t want to create this existential conflict on their side, where they think that their power is at stake. I’m perfectly content with containing China, and making sure that we are the predominant economic power, both globally and in the region. And that's enough of a victory for me, to make sure that we have the military advantage, the economic advantage, that they don’t dominate Asia by taking Taiwan. If we manage to deter that invasion, if we manage to contain them, I think their trajectory over the course of the rest of the century is not great at all.

They have so many problems on the economic front and the demographic front. We have every advantage. If we just wait them out, we can win this cold war like we won the first one. So, I don’t think we have to go down the path of regime change.

**MONTGOMERY:** Can I loop back on the pivot real quick? Because I think the important thing I say is, we had – I think the Obama administration had beautiful rhetoric on the Pacific. But the truth was, the resources aren’t – the way you judge our national security policy, particularly our Department of Defense policy, is by resources.

So, in the 2012 to 2017 timeframe, we were providing about $60 to $100 billion a year, in overseas contingency operations money, to the Middle East to fight those wars. Starting after the invasion of Ukraine in 2014, we thought it up, but by about 2016, we had in place the European Deterrence Initiative, which put anywhere from $15 to $24 billion a year and directed money towards the things the EUCOM commander thought he needed, just like the OCO [Overseas Contingency Operations] were the things the CENTCOM commander thought the Iraq and Afghanistan commanders needed.

We've never had a Pacific Deterrence Initiative. In fact, when we would ask for the money for OCO, OCO money to be used in the Pacific, both the Biden and Trump administration shut us down. Right? That was not an option. Now, in fairness to the Biden administration, the OCO had almost expired, but the Trump and Obama administrations definitely never provided it.

And I remember Bob Work, who's a smart Deputy Secretary of Defense, saying, very explicitly, not PACOM. Well, the problem with that is, if it's your priority, if you're pivoting to it and you put no extra resources against it. And what we've done is in the Pacific Deterrence Initiative, which, you know, I worked for Senator McCain, who really started this process off. We've said we've had it for eight or nine years, but most years what it was, was we listed all the things we were already buying for the Pacific.
One year, the Biden administration announced, we’re buying a Destroyer and 12 F-35s for the Pacific. You’ve got to be kidding me. I mean, that’s not a Pacific Deterrence Initiative. So, you really have to actually put a bishop's fund, an explicit thing that is – gets at the INDOPACOM commanders’ requirements, services compete for that money to provide something new and necessary for the INDOPACOM commander to win. Until we actually do that – because that $13 billion is unfunded – until we actually do that, put resources against it, we haven't really pivoted to the Pacific.

NAKASHIMA: Ivan?

KANAPATHY: Yeah, just to be fair, at least my read on, you know, Pottinger–Gallagher is not regime change. I think they are – they bring in Reagan in the ’80s, which was obviously, like, was containment.

To be frank, you know, the Biden administration, although they won’t say Cold War, they won’t say containment, they’ll say things like, ‘We’re going to shape the environment around China.’ You know, we're going to have our lattice work of, you know, pool our lateral allies and partners and, you know, do our thing in places around them, but we’re not containing them, quote-unquote, right? So, I think the goal is, just like it was in the Cold War, to create the – their own, sort of, discrepancies and contradictions within their system to, kind of, cause them to fail on their own, right?

On the – I agree with Mark, and really, nothing huge to add, but you said 2011 pivot. It wasn't, you know, having been in the White House, right? What's going to drive the president's budget? It's the articulated strategies is what OMB [Office of Management and Budget] turns to and looks at. So, it wasn't until 2017, ’18 with the NSS [National Security Strategy], NDS [National Defense Strategy], that we even articulated competition, and that was China, Russia at the time.

And then, fast forward, so – and that's the president's budget request. And then, obviously, we’ve had these other overseas, real-world, sort of, things keep cropping up, and, frankly, getting in the way, and the administration isn't willing to, if you just look at the supplemental, right? What's the balance there?

ALPEROVITCH: By the way, we're not willing to call it containment, but the Chinese are talking about containment. They think they're being contained, which they are. So, not calling a spade a spade. You're just actually not deluding them. You're just deluding the American public about this, right? How's – why is that smart?

KANAPATHY: And I think, you know, I think what's important – and we learned this during the Cold War. I think everybody knows this, like in an authoritarian system, they can afford, they can have an outside voice and an inside voice, right? And so, the authoritarian system's outside voice is multilateralism, peace, blah-blah. The inside voice, you know, what's going through the channels of the CCP documents that are, you know, stamped in hand through paper, you'd better believe it's a Cold War, and you'd better believe, you know, since 1991, they have believed the US is coming after them. They absolutely believe that. And so, in our system, because it’s transparent, we actually have to articulate it publicly to make it happen.

ALPEROVITCH: By the way, on the question of peace, I'm reminded of Clausewitz, who quoted Napoleon, who said that every aggressor is peaceful in that they want to invade their neighbor with no repercussions and no opposition, right, in a very peaceful way.

KANAPATHY: Yeah, yeah.

NAKASHIMA: Ivan, you also worked in – under the Trump administration. If there's another, you know, return to the White House of the Trump administration, how do you think they will – they’ll now handle this competition with China? And will they put up the resources that you see are missing now?
KANAPATHY: So I think there's – there is actually a lot of continuity between the Trump and the Biden approaches, right? In direction, there's some, you know, there – I – there's a focus, I would say – and these overlap on trade, right, under how Trump thinks about things, I think more on technology. In the Biden administration, there's obviously an overlap in how those competitions, sort of, lead them to economic prosperity, maybe military capabilities.

As far as resourcing, I do think there'll be, you know – I – there's right now, I believe, a little bit of a say-do gap, you know, where articulating a strategy, but not willing to resource it, like you said, the funding, like, the requests are, in real-dollar terms, I think, a lowering, you know, defense budget, rather than – when we should be raising. And I think, I would anticipate in a Republican administration, that that trend would reverse.

MONTGOMERY: I am worried, though, that a – that a second Trump administration and – they'll take the privatization we've all three talked about on the Pacific and say, well, this comes – let's eliminate our efforts in Ukraine, or eliminate our efforts in another area. And the problem with that, of course, is deterrence is not just your capability or capacity, but it's your adversaries belief that – credible belief that you'll use it. And if – we already have a bad example in Afghanistan, where we hightailed it without even talking to our allies and partners. If we were to remove – you know, stop supporting Ukraine and – and remove – you know, in order to save $40 or $50 billion a year, which is a – peanuts in our budget, and is doing significant damage to the Russian army, it would be a bad signal to our allies and partners that we are not a credible – we're not someone you can credibly rely on, even to Japan and Taiwan, because you have to look at this and go, well, what's it take to drop us? You know, why should we go all in with you? But you know, Japan, Australia, we're trying to encourage the Philippines to be more involved. All of those, it's a bad signal, credibility-wise, if we were to hightail it out of Ukraine. I think all three of us believe that.

NAKASHIMA: Allies and partners is the one area, right, in Asia, Indo-Pacific, where this administration has made some progress, right? With – whether it's with the Philippines on expanded access to four new bases, or AUKUS with Australia and the Brits, Japan – tremendous advances, and the – and MLR [Marine Littoral Regiment] being allowed to position in Okinawa, with India, South Korea, or Japan. Do you think, in a Trump administration, you'll see that continued development and nurturing of these partnerships, these multilateral, plurilateral latticework?

MONTGOMERY: Right. These are – I mean, the bilateral ones, yes. I don't think Trump ever walked away from bilateral relationships. I think he did work – try to work with Prime Minister – the late Prime Minister Abe. And I think you're absolutely right. I should say about Japan, it is phenomenal, the condition – the change. I – I've been deeply living there and working with them for the last 15 years. I really believe, at this point, Japanese senior leadership considers a – you know, aggression against Taiwan as an existential threat to Japan.

NAKASHIMA: That's quite a shift.

MONTGOMERY: And that is a shift, and they're shifting to $75 billion in defense spending. It's not a doubling as was originally advertised –

NAKASHIMA: Yeah.

MONTGOMERY: – but it's very significant, and they spend their money wisely and they spend it in the United States.

And so, I think – but I do try to look at it – when I do war planning or wargaming, there's three countries that matter: Japan, Australia and the Philippines.

NAKASHIMA: Right.
MONTGOMERY: Japan, we just mentioned. Australia, again, I don't think President Trump would damage the Australian relationship. I think he'd continue to develop it. And then, the Philippines, I think that we've done a good job, but that – the changes we've had there – and Trump struggles there – were based more on the Philippine leadership of Duterte, not this. I think both Biden and Trump would get along with the Marcos regime.

ALPEROVITCH: You know, the problem we would face – and I applaud the administration for building a great relationship with the Philippines, getting access to their military bases for the first time in over 30 years. But here's the dilemma that they're going to face, and frankly, Japan, as well. If I were China, the first thing I would – that I would do is I would tell the Philippines and Japanese that if a single missile is fired at us from your shores, Manila and Tokyo are going to get hit, right? And that's a really tough proposition for these governments, particularly the Philippines, right? When you start thinking about the impact to your own population. So, you know, we'd need their permission, of course, to fire from there. And, you know, with Japan, we will probably get there. With the Philippines, I'm much less certain.

MONTGOMERY: Yeah, when we describe it militarily, you describe – do you have access, and do you have support? The access is, can I fly out of your country –

NAKASHIMA: Yeah.

MONTGOMERY: – through these? I think we'll have Japan and Australia even with those threats. Philippines, you're right. We could lose that access, and that would matter, but not – I don't think it's determinative.

The support means I'm flying alongside you. And the irony, of course – we can switch that dilemma with the Chinese. The minute the Japanese start to allow us to fly and strike from their country, we either create the world's largest aircraft carrier, the island of Japan and the islands of Japan, or they strike it, in which case, we just had a second – Seventh Fleet much bigger than our Fifth Air Force out there, you know, really competent warfighters and an intelligence apparatus that can support us. I mean, the Japanese entering on our side is a strategic dilemma the Chinese don't want to deal with. So, we flip the dilemma very quickly the minute Japan says yes, because China won't strike because they'll be afraid of the Japanese entering. On the other hand, we then have an air – an unfettered aircraft carrier.

NAKASHIMA: OK. In the few minutes we have left before I open it up to questions, I'd like to have maybe Ivan tell us what your analysis is of the recent elections in Taiwan with Lai Ching-te and the DPP, the Democratic Peoples Party's, loss of control of the legislature. How does the – all of that together affect Beijing's calculus?

KANAPATHY: Yeah, so it's just a great question. What's happened, obviously, we sort of have a third DPP term now, with Lai in the executive branch.

NAKASHIMA: Yup, yup.

KANAPATHY: As the vice president just inaugurated, you know, 10 days ago, or whatever it was – two weeks ago. I'll – he's keeping a lot of the same national security team. He's shifting them around a little bit, but basically – so I expect a lot of continuity. I think his inauguration speech, while, you know, Beijing viewed it as provocative, was not breaking any new ground. And so, in that sense, I think, well within the bounds of what he had said in the campaign and what his predecessor had said. They lost the majority in the LY [Legislative Yuan], and so for the first two terms they had that. So, we're in, sort of, a situation we haven't been in in, like, 20 years in Taiwan, where the executive and the legislative branch are not on the same sheet. There's a lot of things happening in the legislature recently that would cause concern, and they haven't been resolved yet.
And so, we’re, I think, going to watch things unfold in the next weeks and months, and see just how, sort of, stymied the legislature is. And they’re similar to our system, where resourcing’s going to come from the legislative branch, right? They – the budgets, and things like that. And that could really have some impacts here in the next couple of years if they can’t get through there.

I think the United States, you know, will obviously make our preferences known through our AIT [American Institute of Taiwan] out there in Taiwan, and hopefully, be able to at least get the important things about national security through the legislature that needs to.

But at the same time, I think the United States is careful not to involve themselves too much in domestic politics, per se.

MONTGOMERY: I would mention that our host, Craig Singleton, has written and discussed extensively that – and this is what worries me the most – this is what President Xi wanted. I mean, 18 months ago – or maybe eight months ago, he spoke to this issue and said this kind of, like, bifurcated leadership and, most importantly, the creation of a three-party system, you know, it undermines – it makes democracy – it makes it harder for a democratic – a democracy to fight off an authoritarian, to push back on the influence operations.

So, I really think China’s now got four years of, you know, a – pretty aggressive influence operations against all three political parties to try to manipulate and get the signals they want, but basically, to make Taiwan a tough place to – for democracy to rule.

ALPEROVITCH: But – but the one thing that – that I want to make clear is that, you know, KMT [Kuomintang] and TPP [Taiwan People’s Party], the opposing parties, are sometimes called as pro-China parties, and I think that's a complete misnomer, because they just have a different view of the problem.

I don't think anyone in Taiwan is for unification. The polls show about seven percent of the population wants unification. One percent actually wants it immediately, another six percent at some point in the future. And, by the way, it's not even clear when they're asked what they mean by unification because, of course, the longstanding position of the Taiwanese, they want unification by taking over the mainland, right? Not that the mainland would take over them.

But, you know, the KMT’s position is not that we are for unification with China, it’s that, you know – and you can debate that position. It's not one that I favor, but it's a legitimate position, that the right way to preserve Taiwan's independence is by appeasing China because America's unreliable, won't come to our aid when we – we’re defenseless, et cetera. So, let's not provoke them, right? But it's not for unification, and that's really, really important.

So, despite all of these divisions, they're not actually getting any closer to their goal of taking it over without use of force.

NAKASHIMA: And hence the rhetoric about the – Lai Ching-te being the separatist, you know, the voice of separatism, right? And echoed by his foreman, the Chinese Defense Minister in Shangri-La.

Why don't we open it up now to some questions from the audience? How do we – do we have a microphone?

HSIAO: Yeah, I have a microphone here. Thank you. Can you hear me? Russell Hsiao with the Global Taiwan Institute. Thank you for – very much for the very insightful conversation just now.

I know the focus of your discussion and conversation has been on deterrence, deterrence, deterrence, and you, I think quite understandably, all focused on military hard power for deterrence. But what about, you know, the other elements and tools that can be leveraged to deter Beijing? I feel like, perhaps if we were to be hyper-focused simply on the military dimension of it, we might be missing out on other tools that can really tip the balance. So, for instance, the diplomatic, the informational, the economic component parts of it.
Are these not within the sort of toolbox that you think, or maybe they're just not ultimately useful in your regards? But can you speak to, really, the diplomatic, the informational, and economic components of deterrence, in your view, of how to, you know, actually deter the CCP?

**ALPEROVITCH:** Well, I'll start. In the book, I go through a lot of that.

**NAKASHIMA:** Yeah.

**ALPEROVITCH:** The military component, I think, is vital. But the problem with deterrence, of course, is that you can't measure it, right? At the end of a day, you're trying to impact the mind of one person, Xi Jinping, right? And you don't know what's going to be enough.

And in other areas of deterrence, particularly in nuclear where we've done this, we said 'We're going to go overkill,' right? For example, in nuclear space, we don't say that 400 ICBMs [Intercontinental Ballistic Missile] in the American Midwest is sufficient to make everyone think that they can't destroy our nuclear deterrent. We say, 'No, we're going to invest in submarine-based platforms and air – with bombers being able to launch nuclear weapons and the like, even though that's incredibly expensive and evolved.'

We're going to try it all. And I think here, the risks are so high of failure that we have to do it all, right? We have to do the military deterrence but we also have to do economic deterrence. And I argue that what – what our strategy with China should be is not decoupling, which, A, is not realistic, their economy's too big, and none of our allies are going to go over that hill with us, but two, it is actually counterproductive because if you're completely decoupled, you have no leverage. The goal is to increase leverage.

And I coin this term in the book of 'unidirectional entanglement.' What we need is to create this asymmetric dependency where we are less reliant on them, on things like critical minerals for example and foundational chips and green energy, like EVs [Electric Vehicles] and batteries and the like, where they can't influence us and try to deter us for economic pressure, and at the same time making them more reliant on us in areas like advanced semiconductors, AI, biotech, and so forth, where we can exert that leverage on them to try to pressure him.

And yes, absolutely, allied deterrence is really key as well. I worry a lot about how isolated Taiwan has become in the diplomatic sphere, where so many countries have withdrawn recognition, I mean, just in the last couple of years.

And the challenge with that is that so many countries just want to continue trading with China and it's so easy for them to say "well, Taiwan is not even really a country, we don't even recognize them. So unlike Ukraine, aggression against Taiwan does not hold the same cache with us and we'd prefer to just ignore it."

So, we got to bring more international legitimacy to Taiwan as well.

**KANAPATHY:** Yeah, so I think for Taiwan itself, it – there's been a lot of great work done, I think, in the – I guess in the Lai administration, right, on these issues. There is a lot more international tension. They do get – you know, have more, sort of, visitors coming, not just from their diplomatic partners, from a lot of other countries.

So, I think the diplomatic stuff – the – you know, on balance, it's actually improved the situation. I think the situation economically is improving. When TSMC's [Taiwan Semiconductor Manufacturing Company Limited] building factories in the United States and Germany and Japan, those are ties that bind. That's investment, right? Those are – those last years and years. That creates costs to other countries. China sees those, right? If they were to attack Taiwan, that creates impact on other countries, and they have to take that into consideration too, because – and so Taiwan, I think, is becoming less isolated.
And so, I agree with you. I just think that the part of the strategy that is being under-resourced is that military deterrence part, which is, again, sort of a primary – yeah.

NAKASHIMA: I think one of the parts that is – that if you talk to allies and partners in the Pacific, they'll say that is really missing from the strategy, is the economic trade issue. You know, obviously –

KANAPATHY: Well, so –

NAKASHIMA: ... TPP [Trans-Pacific Partnership] was part of the original pivot plan in the Obama administration –

KANAPATHY: So, the US just supplanted China as Taiwan’s number-one trading partner, or their number-one export destination, I think. Is that what it is? So, I –

KANAPATHY: – it – there’s –

ALPEROVITCH: Export controls on advanced chips will help with that.

(LAUGHTER)

KANAPATHY: So –

MONTGOMERY: Taiwan wouldn't have been part of TPP.

KANAPATHY: So, there's things –

NAKASHIMA: No, I'm talking about –

(CROSSTALK)

NAKASHIMA: Very specific, yeah.

KANAPATHY: Yeah. I...

MONTGOMERY: No, I agree. I agree. I – we used to say out in PACOM that TPP was worth one or two aircraft carriers. You know, I mean, just, I do think there's balance in that, so – but Ivan's right, that the relationship – the economic partnership between the US and Taiwan is thriving.

ALPEROVITCH: But you know, this weekend at Shangri-La, I believe it was the former Singaporean minister said that more and more countries are jumping into the arms of the United States, not because of the U.S. policy, but despite it, right? And because the Chinese are doing everything possible to drive everyone away from us. So, we have made mistakes. I think pulling out of TTP was a huge mistake, but thankfully, the Chinese are helping us out a great deal by pissing off everyone else in the region.

KANAPATHY: I'll give you the Trump administration corollary –

NAKASHIMA: OK.

KANAPATHY: – which is that, you know, TPP can't get through the Congress. It just can't. It couldn't in the Obama administration. We watched it fail – flounder and then ultimately fail. Hillary Clinton ran against it. Donald Trump ran against it, right, in 2016.

So what it would’ve done is lower trade barriers with our partners and friends.

NAKASHIMA: Right.
KANAPATHY: What the Trump administration did instead is raid – raise trade barriers with China. And what you've seen is a lot, I would say, a lot, you know, whatever – 80 – 75, 80 percent of the effect that we would've wanted from TPP has been accomplished, because we have gone from, you know, imported goods in the United States, 2017, were, like, 21, 22 percent coming from China. We're down, like, below 14, 13 percent now. Like, literally, it's just ticking down.

ALPEROVITCH: Yeah. So, Ivan and I agree on a lot. We disagree on this point, because we actually ended up doing TPP. It's called USMCA [United States–Mexico–Canada Agreement]. We just took two partners of TPP, Canada and Mexico, and basically did that whole agreement with them, and excluded everyone else in the region. And the reality is, I agree. It would've been difficult to pass it through the Congress. But the main reason it was difficult is the Obama administration refused to label it as an anti-China trade deal.

NAKASHIMA: Right.

ALPEROVITCH: If they had done that, they could've gotten the Republicans on board. They probably could've gotten some Democrats on board.

MONTGOMERY: Yeah, and they didn't prioritize it, right?

ALPEROVITCH: And you've seen those, and they didn't prioritize them.

MONTGOMERY: And when they got the ability to do the negotiations, you know, that gets you to an up-or-down vote in Congress. It would've passed, but they would've had to prioritize it, and they didn't. They prioritized other things. Those were choices. He assumed Hillary Clinton would get reelected (sic); still having the authority for another year, and then, in the middle of the election, she had to pivot off of it to let – do I believe she would have changed her opinion again? Yes, and we would have had TPP in 2017. But you know, that was a mistake by the Biden administration. They assumed –

ALPEROVITCH: Obama.

MONTGOMERY: – things – not facts – oh, excuse me, the Obama administration. They assumed facts not in evidence, and they didn't prioritize TPP.

NAKASHIMA: OK.

WACHTLER: Hi. Dan Wachtler; honored to work with Mark on occasion at the CCTI. Good to see you. Great discussion.

I'm intrigued, China's given a lot of credit for thinking 100 or 1,000 years down the road, rather than five or 10. Would there be any scenario where, they like us, focused on the Taiwan issue, and actually doing something else instead, like continuing to raid resources in Africa, or other – would there be any advantage to them thinking that way?

NAKASHIMA: Yeah.

ALPEROVITCH: I – you know, this vaunted Asian patience, I see no evidence that Xi Jinping has any of it. In fact, the man is completely impatient and – which is to our benefit. I – you know, I joke that if he is not on the CIA payroll, we should put him on it, because virtually everything he has done, assuming he doesn't invade, has been to the detriment of China and to the advantage of the United States, where – for the diplomacy and the economic mismanagement, crackdown on the tech sector – you name it – has been a complete disaster for China.

So, this is a man that's incredibly impatient, and I think is very much focused on his own legacy, going down into the pantheon of Chinese history as someone who is greater than Mao, who has done the one thing that Mao could never do, which is, of course, take Taiwan.

So I – I – I think they are supremely focused on this at Shangri-La this weekend. All they talked about was Taiwan. So, I think this is numero uno for him, and probably number two and three, as well.
NAKASHIMA: OK. Anyone else? Yes?

CRONIN: Hey, Matt – Matt here. So, real quick, there’s a lot of discussion about really important issues involving strategy, tactics, military, cyber. But one of the things that you may notice, if you look at, say, like, a CCP strategist talking before the Ukraine war about – who would be able to prevail and attack in combat between the United States and China? And they say, well, ultimately, you know, what will happen is that the United States will run out of bullets, will run out of missiles, and then we’ll outproduce them just like they outproduced everyone else in World War II, and then we’ll win. And we’ve kind of seen this somewhat coming true in Ukraine, and some of the concerns. Do you think there’s any real risk to that? Or is, kind of, the erosion of the defense industrial base, our access to minerals, including, you know, energetics overblown?

MONTGOMERY: I actually believe that, I mean, the one redeeming feature of the Russian invasion of Ukraine for the United States is the wake-up call on the defense industrial base. And we really have changed. Look at 155. I mean, we’ve gone from 14,000 rounds a month to we’re going to hit 100,000 rounds a month next year. I mean, those are – that’s a phenomenal change. The production of long-range anti-ship cruise missiles, the production of AMRAAMs, of standard missiles. And it’s not just – part of it is our production facilities returning to 100 percent capability/capacity, but also, with investments from the government. I mean, baked into the – hidden in the Ukraine assistance, Taiwan – or INDOPACOM assistance and Israel assistance packages, each one of them had billions of dollars of U.S. defense industrial base improvements in it, money that went straight to, like, building our capacity to build. And we’re also doing – for the first time, Congress buckled in a multiyear procurement for munitions. So, you can see in – in all the things – all the things that hamstrung our defense industrial base are – are being reversed. And so, I really do feel good.

Now, look, do we still have systems production, like shipbuilding problems? Do we still have, you know, aircraft production? Yes, we do. It – the – we – on the really big stuff, we still have work to do. But the ability – our munitions was our Achilles’ heel, and it will not be our Achilles’ heel in two to three years. And those fixes are decade-long fixes. The problem could happen in a decade again from now, believe me. We can – we’ve lost the – you know, we’ve lost the priority in the past. But I actually think, you know, an unintended consequence of the Russian invasion in Ukraine is to make us better for handling any authoritarian.

By the way, it’s going to help us support Israel if they have a Hezbollah problem a lot faster. I mean, those same systems are all in this. And it’s helping us identify things like, our one black powder factory in Louisiana blew up – not a big news story until after we needed a lot of black powder, and we’re fighting to have to get it, I think, from Brazil. And now we’ve got our black powder factory up and running, and we’re looking at whether we need a secondary one, maybe in Canada or the United States, to compliment it.

So, I think we’re fixing the problem. I – I am less concerned than I was when I first heard that five or seven years ago, and I knew it to be true.

ALPEROVITCH: I completely agree with Mark. I will just say this, though – and – we need more of everything, unquestionably, but if we exhaust our missile stocks by sinking a Chinese fleet, I’m OK with that.

(LAUGHTER)

KANAPATHY: I’m – the one thing that we have to be concerned about is that, you know, if we’re expending SM-3s and SM-6s in the Red Sea right now faster than we can build them, that obviously doesn’t help.

MONTGOMERY: Well, we’d actually decided on our own to stop building SM-3, which is a bigger problem, right? You know, that – so – but we also have two – here’s a – the other thing – is the cost of munitions. What had happened is, as we went to lower and lower numbers, we decided we were OK with exquisite, and that was a mistake.
So I like – I like the – the long-range anti-ship cruise missile, but it's $3.2 million a pop. I like the Harpoon but it's, you know, $2 to $3 million, depending how you buy it, a pop. What I'd like to do is that we do things like buy, you know, cheaper, less likely to get through – guaranteed to get through, but you can fire more of them, things like a Powered JDAM, you know, that you can fire from hundreds of miles away to hit a ship. Is it as likely as the LRASM to hit the ship? No, but at, you know, one-tenth the cost, I can fire three or four of them, and I will – I'll get the hits.

But we've got to do that. And what we're seeing in Taiwan – I mean in Ukraine is that in the very close contact, you can use completely new types of munition delivery vehicles and new types of munitions, and I think you'll see that, you know, significantly impact the Taiwan procurement program over the next two to three years.

So, across all of – from the very low costs to getting in that sweet spot of lower cost but can still get at range – cause we like to keep our pilots a lot – you know, we generally, historically – and as someone with a son in the Navy, I'd like to keep all these guys alive – you know, men and women alive – is hit at distance.

So, distance at lower cost is a premium. You're absolutely right – in the Red Sea, that is – we're paying a premium because we don't have that right now.

ALPEROVITCH: And the Air Force just announced recently that they're going to try to do a program to buy $150,000 long-range cruise missiles from folks like Anduril and others, so.

NAKASHIMA: OK. I think – point – we have time for one more. Is there – got anyone wants to take us home? If not –

ALPEROVITCH: Can I just say one –

NAKASHIMA: Yes –

(CROSSTALK)

ALPEROVITCH: So, in the book, I end with Latin. I think it might be appropriate to end this with – event with Latin as well. So, as most of you probably know, 2,100 years ago in the Roman Senate, Cato the Elder would end every speech, no matter the topic, with a phrase, ‘Carthago delenda est,’ ‘Carthage must be destroyed.’ I end the book with a Latin phrase, ‘Sinae deterrendae sund,’ ‘China must be deterred.’ And I hope that all of you will agree with us that that is of primary – that needs to be the primary focus of the United States.

NAKASHIMA: OK. Well – and do you want to tell people how your book – how your scenario ends with –

ALPEROVITCH: Well, the –

(LAUGHTER)

NAKASHIMA: No –

(CROSSTALK)

ALPEROVITCH: – the book is right there, so check it out.

NAKASHIMA: OK, never mind.

ALPEROVITCH: It's a quick read, and you'll enjoy it, and I'll sign it for you.

NAKASHIMA: All right, I shouldn't – thank you very much, everyone. Thanks, Dmitri, Ivan, Mark.

(APPLAUSE)

END