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14. ABSTRACT China's Belt and Road Initiative (BRI) was launched in 2013 with the public goals of interconnecting nations, strengthening economic ties, facilitating trade, improving economic development, and bringing people closer together. Upon deeper review, the evidence suggests that China also uses BRI as a "geostrategic weapon" to advance its national interests diplomatically, economically, and militarily. In the Western Pacific, China uses economic investment to degrade INDOPACOM's theater posture while improving its own. In the Commonwealth of the Northern Mariana Islands, Chinese state-owned companies invest heavily in hotels, casinos, and resorts adjacent to military bases to amass influence in the area. Subsequently, they use this influence to advocate for reducing U.S. military presence and constraining military operations. In addition, Chinese state-owned companies are gaining control over Darwin and other valuable seaports, amassing influence over strategic terrain. These are just two examples of China's theater-wide plan to use foreign investment to degrade INDOPACOM's theater posture and improve its own. In response, INDOPACOM must triage, identify, and counter those foreign investments that present unacceptable risks to its theater posture. To help this analysis, the author offers the decision tree in Figure 1.									
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**Chinese Foreign Investment and the Threat to
INDOPACOM's Theater Posture**

INTRODUCTION

Over two thousand years ago Sun Tzu wrote, “He who knows the art of direct and indirect approach will be victorious. Such is the art of maneuvering.”¹ Today, the United States finds itself matched against a pacing adversary that subscribes to this philosophy. The People’s Republic of China is intent on “[tilting] the global playing field to its benefit,”² using a whole-of-government strategy that includes both direct and indirect approaches. The 2022 National Defense Strategy describes China’s approach as “coercive and increasingly aggressive,” with a growing military footprint and expanding economic influence.³ For military scholars, the direct threat of China’s military build-up is gravely concerning and has received substantial attention. However, the indirect threat of China’s expanding economic influence in the region has received less scrutiny. To stay ahead of this pacing threat, this is an area that deserves greater focus.

For almost ten years, China's Belt and Road Initiative (BRI) has enabled China to focus foreign investment to advance national interests. Through BRI, China fuels economic development and gains access to key resources, but the impacts of BRI projects can also constrain and degrade the military effectiveness of United States INDO-PACIFIC Command (INDOPACOM). Through foreign economic investment, Chinese businesses are degrading INDOPACOM's theater posture in the Western Pacific, and INDOPACOM must counter. First, examples at Tinian Island and the Port of Darwin spotlight China's theater-wide behavior. Second, the author offers a decision tree to help INDOPACOM triage, identify, and counter Chinese foreign investment. While it does not provide a comprehensive view, this essay offers a deeper look into a troubling subject and attempts to illuminate options for the future.

¹ Sun Tzu, *The Art of War*, trans. Samuel B. Griffith (London: Oxford University Press, 1963), 106.

² The White House, *National Security Strategy* (Washington, DC: The White House, October 2022), 3.

³ U.S. Department of Defense, *2022 National Defense Strategy of the United States of America* (Washington, DC: The Pentagon, October 27, 2022), 4.

THE POWER OF CHINESE FOREIGN INVESTMENT

In 2013, Chinese President Xi Jinping announced the launch of the “Silk Road Economic Belt,” later called the “Belt & Road Initiative” (BRI).⁴ Since that announcement, China has invested over \$800 billion in infrastructure projects worldwide.⁵ Publicly, China intended BRI to interconnect nations, strengthen economic ties, facilitate trade, improve economic development, and bring people closer together.⁶ However, some argue that China's BRI is actually a “geostrategic weapon” and “more analogous to a neo-colonialist and imperialistic China, under the guise of an economic plan.”⁷ In the Era of Colonization, Europeans subjugated vast regions of the world, amassing glory for their sovereigns, resources for their economies, and bases for their militaries, all under the banner of Empire. Today, Chinese businesses pursue similar outcomes under the banner of foreign investment. Digging deeper, BRI projects frequently result in repeated economic losses, raising doubts about whether profit and economic development are really BRI's primary goals.⁸ As losses mount, it becomes more challenging to justify BRI with an argument centered on economic prosperity and development. Regardless of motive, foreign investment dollars help China compete and succeed not only politically and economically but also militarily.

⁴ Yiping Huang, “Understanding China's Belt & Road Initiative: Motivation, Framework and Assessment,” *China Economic Review* 40, (2016): 314.

⁵ American Enterprise Institute, “China Global Investment Tracker,” accessed October 12, 2022, <https://www.aei.org/china-global-investment-tracker/>.

⁶ Mercator Institute for China Studies, “Mapping the Belt and Road Initiative: This is Where We Stand,” last modified June 7, 2018, <https://merics.org/en/tracker/mapping-belt-and-road-initiative-where-we-stand>.

⁷ William C. Pacatte III, *Be Afraid? Be Very Afraid? – Why the United States Needs a Counterstrategy to China's Belt and Road Initiative*, Center for Strategic and International Studies, October 19, 2018, <https://defense360.csis.org/be-afraid-be-very-afraid-why-the-united-states-needs-a-counterstrategy-to-chinas-belt-and-road-initiative/>, 1-2.

⁸ Pacatte, *Be Afraid? Be Very Afraid?*, 3.

CHINESE INVESTMENT TARGETS INDO-PACOM'S THEATER POSTURE

Throughout history, successful commanders have recognized how advantageous positions often lead to a decisive victory. Napoleon once famously stated, "War is a business of positions." Rear Admiral Mahan claimed, "Power plus position [constitutes] an advantage over power without position." Today, INDOPACOM seeks a similar advantage through a "widespread and diverse" theater posture.⁹ Military theorists and joint doctrine both argue a strong theater posture serves as a deterrent in peace and an advantage in war.^{10,11} Conversely, a poor theater posture can degrade a nation's forward presence, decrease its freedom to maneuver, and result in unattainable objectives.¹² While chance will always play a role in military battles and victory can never be fully assured, thorough preparations will bias the conflict's outcome in favor of the more ready commander. For this reason, military commanders should pursue every positional advantage possible to lessen the costs of conflict and increase the odds of victory. In the Western Pacific, this means maintaining a resilient and flexible force posture, secure lines of communication, and diplomatic alignment with allies and partners. Many of these factors are now at risk as Chinese economic influence expands.

China employs a whole-of-government approach to advance grand strategy and frequently uses economic power to attain military outcomes. According to Liddell Hart, "grand strategy should both calculate and develop the economic resources and manpower of nations in order to sustain the fighting services."¹³ Through BRI and its expanding economic influence,

⁹ Admiral John C. Aquilino, "Testimony," Senate, *Statement Before the Senate Armed Services Committee on U.S. INDO-PACIFIC Command Posture*, 2022, 14.

¹⁰ Milan Vego, "Theater Geometry," *Joint Operational Warfare, Theory and Practice* (Newport, RI: U.S. Naval War College, reprint, 2009): IV-49.

¹¹ Chairman, Joint Chiefs of Staff, Joint Publication 3-0: Joint Campaigns and Operations (Washington, DC: CJCS, Oct 18, 2022).

¹² General Jacqueline D. Van Ovost, "Testimony," Senate, *Statement Before the Senate Armed Services Committee on the State of the Command*, 2022, 2.

¹³ Sir B.H. Liddell Hart, *Strategy* (New York: Meridian, second revised edition, 1991), 322.

China is leveraging an indirect approach to strengthen its military position and advance its grand strategy in the Western Pacific. As an example, the first edition of the PLA's *The Science of Military Strategy* states, "Competitions in the nonmilitary fields such as politics, economy, diplomatic and culture coordinate directly or indirectly with military operations." The document further explains that military operations cannot achieve victory without support from the nonmilitary field.¹⁴ Political power should enhance economic power; economic power should augment military power; military power should strengthen political power. In short, Chinese doctrine focuses on integrating national efforts across all instruments of national power. In alignment with this theory, China pursues foreign investments at key locations throughout the Western Pacific to strengthen its military position and attain its political objectives. Simultaneously, U.S. inattention to Chinese investment can leave it vulnerable to suboptimal basing, exposed lines of communication, and decreased operational security. The result is a degradation of INDOPACOM's theater posture relative to the Chinese threat, which may significantly constrain future military operations.

Chinese Investment at Tinian and in the Northern Mariana Islands

On the island of Tinian in the Commonwealth of the Northern Mariana Islands (CNMI), Chinese investors are heavily involved in degrading INDOPACOM's theater posture. In 2006, the United States and Japan agreed to relocate about 8,000 Marines from Okinawa to CNMI. Through this repositioning, the U.S. intended to alleviate tensions on Okinawa, strengthen the U.S.-Japan alliance, and diversify INDOPACOM's forward-deployed combat power.¹⁵ As early as 2007, Chinese foreign investment was active in the communities surrounding the Marines'

¹⁴ Peng Guangqian and Yao Youzhi, eds., *The Science of Military Strategy*, (Military Science Publishing House, 2005): 471.

¹⁵ *Guam: U.S. Defense Deployments*, (Washington DC: Congressional Research Service, 2015), 1.

projected home. Multiple Chinese investment firms secured long-term leases for land near U.S. military bases, with plans to construct multimillion-dollar casinos, hotels, and resorts. In 2016, the U.S. Navy formally expressed concerns that these developments could hinder military training or exercises in the region.¹⁶ When combined, these reports paint a picture of deliberate Chinese disruption. Years before the Marines arrived, Chinese investment was already posturing to constrain their operations.

During this same period, Chinese tourism in CNMI exploded, fueled by additional flights from China and increased marketing by Chinese tourism companies. China's Approved Destination System, a centralized list that directs state-run tour companies and guides the flow of Chinese tourism dollars,¹⁷ likely contributed to the increase. From 2009 to 2014, Chinese tourists increased by 476 percent, contributing to a 26.8% year-over-year increase in CNMI's Gross Domestic Product. By 2016, China accounted for 40 percent of all tourists visiting CNMI.¹⁸ For such a small nation, this growth is noteworthy. As a result, Chinese investment dollars combined with Chinese-fueled tourism to buy substantial influence in a small region like CNMI.

On the island of Tinian, which the U.S. intends to use as a training range for large-scale joint and allied exercises,¹⁹ China uses its amassed influence to stoke tension and constrain military operations. Local politicians, residents, and members of the CNMI business community, the primary benefactors of Chinese investment, have expressed concerns over the U.S. military presence, claiming it hurts the island and stifles economic development.²⁰ Some

¹⁶ Ethan Meick, Michelle Ker, and Han May Chan, *China's Engagement in the Pacific Islands: Implications for the United States*, (Washington, DC: U.S.-China Economic Commission and Security Review, June 14, 2018), 11.

¹⁷ Shaun Cameron, "Palau Faces the Dragon," *The Interpreter*, 22 November 2021, 2.

¹⁸ Meick, Ker, and Chan, *China's Engagement in the Pacific Islands*, 11.

¹⁹ Adam Ashton, "Quietly, Guam is Slated to Become Massive New U.S. Military Base," *The Herald*, 28 November 2015, final edition.

²⁰ Meick, Ker, and Chan, *China's Engagement in the Pacific Islands*, 19.

even pursued legal action to prevent expanded military activities in CNMI.²¹ Representatives from the Chinese investment groups amplify this narrative, indicating they will be forced to cancel their investments unless the U.S. military decreases its presence or lessens its activities.²² If the Chinese investment firms succeed and CNMI decides to block or restrict military operations on Tinian, it may force INDOPACOM to re-establish its "forward-deployed" Marines as far away as Australia, delaying their response time and hampering INDOPACOM's ability to respond to a crisis.

This is not China's first time combining tourism with investment to exert influence and pursue national objectives. From 2008 to 2015, Chinese tourism to Palau increased by 14,000 percent. It was accompanied by a significant increase in Chinese investment, ushering Palau to its largest GDP growth since 2000. Following this rise in economic prosperity, China asked Palau to sever diplomatic ties with Taiwan. When it refused, Beijing instructed state-run tour companies to stop visiting Palau, resulting in a 22.7 percent decrease in Chinese tourism and the closure of Palau Pacific Airways.²³ In this instance, China attempted to use tourism dollars and economic investment as a "big stick" to coerce a smaller neighbor and achieve a desired political outcome. This is yet another example of how China attempts to leverage foreign investment to achieve its national objectives.

Chinese Investment in Western Pacific Seaports

In addition to its economic activities in the Mariana Islands, China is degrading INDOPACOM's theater posture by building and controlling transportation infrastructure around the world. For nearly a decade China has systematically invested in seaports, many of them

²¹ Kristien Bergerson, *China's Efforts to Counter U.S. Forward Presence in the Asia Pacific*, (Washington, DC: U.S.-China Economic Commission and Security Review, March 15, 2016), 9.

²² Bergerson, *China's Efforts to Counter U.S. Forward Presence in the Asia Pacific*, 9.

²³ Shaun Cameron, "Palau Faces the Dragon."

occupying strategic terrain in the Western Pacific. The Australian port of Darwin serves as an exemplar. In 2015, the Chinese company Landbridge secured a 99-year lease for the commercial port of Darwin.²⁴ Landbridge is a Chinese state-owned enterprise with concerning ties to the Chinese Communist Party and the People's Liberation Army.²⁵ Landbridge's website pronounces the company is "contributing its best to... realizing the great rejuvenation of the Chinese dream." Furthermore, in 2014 the PLA helped Landbridge establish an armed militia within the company. Finally, company leaders within Landbridge have been recognized by the state for their contributions to national defense.²⁶ In today's globalized economy, foreign ownership of domestic infrastructure is becoming more common. However, granting 99 years of influence to a company controlled by a potential adversary is still highly alarming.

Darwin's strategic location is key to U.S. and Australian theater posture in the maritime domain. As the only major port facility on Australia's north coast, Darwin receives over 100 U.S. and allied ship visits each year, and it is the rotational home for a 2500-person U.S. Marine task force.²⁷ Marine rotations to Darwin are now in their eleventh year as they "advance readiness goals, address infrastructure requirements..., and satisfy U.S. commitments to Australia."²⁸ Under the new port lease, these activities are now open to Chinese surveillance and dependent upon a Chinese company that one analyst described as "a commercial front intimately tied to state-owned operations, the [Chinese Communist Party], and the PLA."²⁹ Influence over the Port of Darwin grants China a significant advantage in the region for the next 99 years.

²⁴ Bergerson, *China's Efforts to Counter U.S. Forward Presence in the Asia Pacific*, 8.

²⁵ Paul Barnes et al, *Chinese Investment in the Port of Darwin: A Strategic Risk for Australia?* (Barton, Australia: Australian Strategic Policy Institute, December 2015) 5.

²⁶ Barnes et al, *Chinese Investment in the Port of Darwin*, 2-5.

²⁷ Barnes et al, *Chinese Investment in the Port of Darwin*, 2.

²⁸ Aquilino, *INDO-PACIFIC Command Posture*, 20.

²⁹ Barnes et al, *Chinese Investment in the Port of Darwin*, 5.

The port authorities who authorized the 99-year lease argue that the Port of Darwin is a commercial port, not a naval facility; therefore, the risk to Australian national security and INDOPACOM's theater posture is negligible. However, over 90 percent of U.S. military personnel and cargo travel via commercial conveyances in times of war, transiting commercial hubs such as Darwin.³⁰ Proponents of the lease also argue the Australian government retains the authority to exercise complete control of the port during major emergencies.³¹ However, this policy would not prevent nefarious Chinese activity that degrades U.S. and Australian theater posture in advance of an emergency.

Chinese seaport investments do not stop at Darwin; around the globe, Chinese companies have obtained control over a valuable network of deep-water seaports. In 2017, Chinese state-owned enterprises were investing over twenty billion dollars a year in global port infrastructure spanning at least 42 countries.³² This trend is expected to continue³³ as the Chinese pursue a "string of pearls"³⁴ stretching across the Western Pacific, through the Indian Ocean, and all the way to Europe.³⁵ Due to their size, scope, and strategic locations, it's unlikely these investments are the random work of disjointed, profit-driven companies. China has publicly stated its desire to reunify with Taiwan and exert control over its maritime claims in the South China Sea. Controlling a series of commercial ports surrounding both objectives could provide tangible

³⁰ Van Ovost, *State of the Command*, 6.

³¹ Barnes et al, *Chinese Investment in the Port of Darwin*, 9.

³² The Economist Intelligence Unit, "China's Expanding Investment in Global Ports," *The Economist*, 11 October 2017, <https://country.eiu.com/article.aspx?articleid=1125980496>, 1.

³³ The Economist Intelligence Unit, "China's Expanding Investment in Global Ports," 3.

³⁴ The Economist Intelligence Unit, "China's Expanding Investment in Global Ports," 3.

³⁵ In the Western Pacific, Chinese companies have targeted four Malaysian ports, three Australian ports (including Darwin), Busan in South Korea, Sihanoukville in Cambodia, and Tanjung Priok in Indonesia to name a few. Along the maritime passages to the Middle East and Europe, Chinese companies own or partially control Sri Lanka's Hambantota Port, Pakistan's Gwadar Port, the port of Djibouti, Egypt's Port Said (Cairo), Greece's Piraeus Port (Athens), and the Netherlands' Euromax Port (Rotterdam), along with others. For more information see Barnes et al, *Chinese Investment in the Port of Darwin*, 6; The Economist Intelligence Unit, "China's Expanding Investment in Global Ports," 1-3; and Mercator Institute, "Mapping the Belt and Road Initiative."

military and economic benefits for either operation. Therefore, this series of Chinese port investments is more likely to be a deliberate and synchronized effort intended to support Chinese national objectives.

Through this maritime network, China expands its global trade footprint and exerts tighter control over key sea lanes and key energy supply routes. These ports offer military advantages for the Chinese Navy, as evidenced by high-profile visits from Chinese naval officers. In 2015 Admiral Wu Shengli, commander of the People's Liberation Army Navy, visited Malaysia and secured an agreement for Chinese ships to use Kota Kinabalu port as a "stopover location" for Chinese vessels operating in the South China Sea.³⁶ High-ranking Chinese naval officers have also visited target ports in Greece and Sri Lanka,³⁷ demonstrating the importance China places on securing military access to what they view as key maritime terrain.

Strategic ports can also sustain expeditionary operations or house military infrastructure, both valued by the Chinese. For example, in 2018, China funded port improvements at Luganville Wharf in the South Pacific nation of Vanuatu. Shortly after the project was completed, rumors surfaced of a diplomatic agreement to host a Chinese military base at Luganville Wharf.³⁸ The United States and Australia quickly emerged in opposition, and the rumors were quickly denied, but the Chinese likely harbored aspirations for a military base in the South Pacific. Based on China's continued courtship of Vanuatu, Fiji, the Solomon Islands, and other South Pacific nations, it's likely China still harbors these aspirations.

Increased ownership grants China increased influence over these seaports and increased control over the Western Pacific. For example, in August 2022 the Chinese ship *Yuan Wang 5*

³⁶ Barnes et al, *Chinese Investment in the Port of Darwin*, 11.

³⁷ The Economist Intelligence Unit, "China's Expanding Investment in Global Ports," 1-3.

³⁸ Graeme Dobell, "Awkward Alarum," *The Strategist* (blog), 16 April 2018, <https://www.aspistrategist.org.au>.

requested permission to dock in Sri Lanka's Hambantota Port for one week. Conveniently, the visit coincided with a ballistic missile test that India intended to conduct nearby. Officially, the *Yuan Wang 5* is designed to track satellites, but it's also possible for its sensors to observe and record data from ballistic missile launches.³⁹ After learning of security concerns from its Indian neighbor, Sri Lanka initially denied the *Yuan Wang's* request.⁴⁰ However, Hambantota Port was acquired by a Chinese state-owned company in 2017 and was built with funding from Chinese loans. Upon further deliberation and further engagement from Beijing, Sri Lanka reversed its position, and the port visit was allowed.⁴¹ In addition to port access, port ownership enables China to influence which companies or countries are allowed to berth, when they are allowed to berth, what cargoes they can bring, and how much it costs. Port owners also affect shipment priorities and gain visibility over vessels and manifests transiting their port. All these factors give China an advantage and can potentially degrade INDOPACOM's theater posture.

INDO-PACOM'S OPTIONS TO RESPOND

INDOPACOM commands substantial military power in the Western Pacific, but military power alone is insufficient to address this problem. Local governments and businesses will act in their best interest, and INDOPACOM lacks the tools to influence their calculus.

INDOPACOM's military power cannot offset Chinese economic benefits, and resorting to military coercion would do more harm than good. Fortunately, the United States has other tools to counter Chinese investment and influence. For example, the Department of Defense uses Key Leader Engagements (KLE) frequently and sometimes with powerful effects. In July 2021,

³⁹ David Rising, "China Using Civilian Ships to Enhance Navy Capability, Reach," *Military.com*, 24 September 2022, <https://www.military.com/daily-news/2022/09/24/china-using-civilian-ships-enhance-navy-capability-reach.html>.

⁴⁰ Krishan Francis, "Sri Lanka Asks China to Postpone Research Ship's Port Call," AP News, 9 August 2022, <https://apnews.com/article/science-china-sri-lanka-colombo-0b54d91bb435d32a39d2d57c8da772b6>.

⁴¹ Rising, "China Using Civilian Ships to Enhance Navy Capability, Reach"

Secretary of Defense Lloyd Austin met with Philippines President Rodrigo Duterte, convincing him to recall his notice to terminate the Visiting Forces Agreement.⁴² Building on this success, in February 2023, the United States and the Philippines agreed to grant the U.S. military access to nine total sites on the islands of Luzon and Palawan.⁴³ This announcement signified a big win for INDOPACOM because it allowed U.S. forces to maintain and expand their presence in the Philippines, a key staging location. In addition to KLEs, the United States established the Infrastructure Technology Assistance Network, the Transaction Advisory Fund, and the Blue Dot Network.⁴⁴ These provide U.S.-based sources of investment and offer alternatives to foreign investment dollars. Furthermore, in 2018 Congress passed the BUILD Act (P.L. 115-124) and re-authorized the U.S. Export-Import Bank to help counter Chinese economic power.⁴⁵ The United States government, and many like-minded nations, see the need to compete with China in this space, and options are available.

Assessing and Responding to Foreign Investment

When deciding which foreign investments to counter, INDOPACOM cannot and should not chase and block every foreign dollar entering the region. Stifling foreign investment contradicts the American interests described in the National Security Strategy,⁴⁶ and it impairs the economies of potential partners. Instead, INDOPACOM should triage foreign investments, identifying which present unacceptable risks to its theater posture and determining what options might be available to counter.

⁴² Aquilino, *INDO-PACIFIC Command Posture*, 21.

⁴³ Sui-Lee Wee, "U.S. to Boost Military Role in the Philippines in Push to Counter China," *The New York Times*, 3 February 2023, <https://www.nytimes.com/2023/02/01/world/asia/philippines-united-states-military-bases.html?searchResultPosition=1>, accessed on 28 March 2023.

⁴⁴ Susan V. Lawrence and Karen M. Sutter, *China Primer: U.S.-China Relations*, (Washington DC: Congressional Research Service, 2022), 2.

⁴⁵ Lawrence and Sutter, *China Primer*, 2.

⁴⁶ The White House, *National Security Strategy*.

A 2011 RAND study examined Chinese investment in United States companies and the subsequent implications on critical technologies and national defense. That study resulted in a decision tree that balances the benefits of a proposed foreign investment against the national security risks and offers a recommendation.⁴⁷ Using those results as a baseline, the author developed the following decision tree to help INDOPACOM determine when and how it should counter foreign investment. Of note, this decision tree only analyzes foreign investments which affect theater posture. It does not consider the surveillance or espionage which may result from foreign investment, although these activities present significant risks and should be addressed via other means.

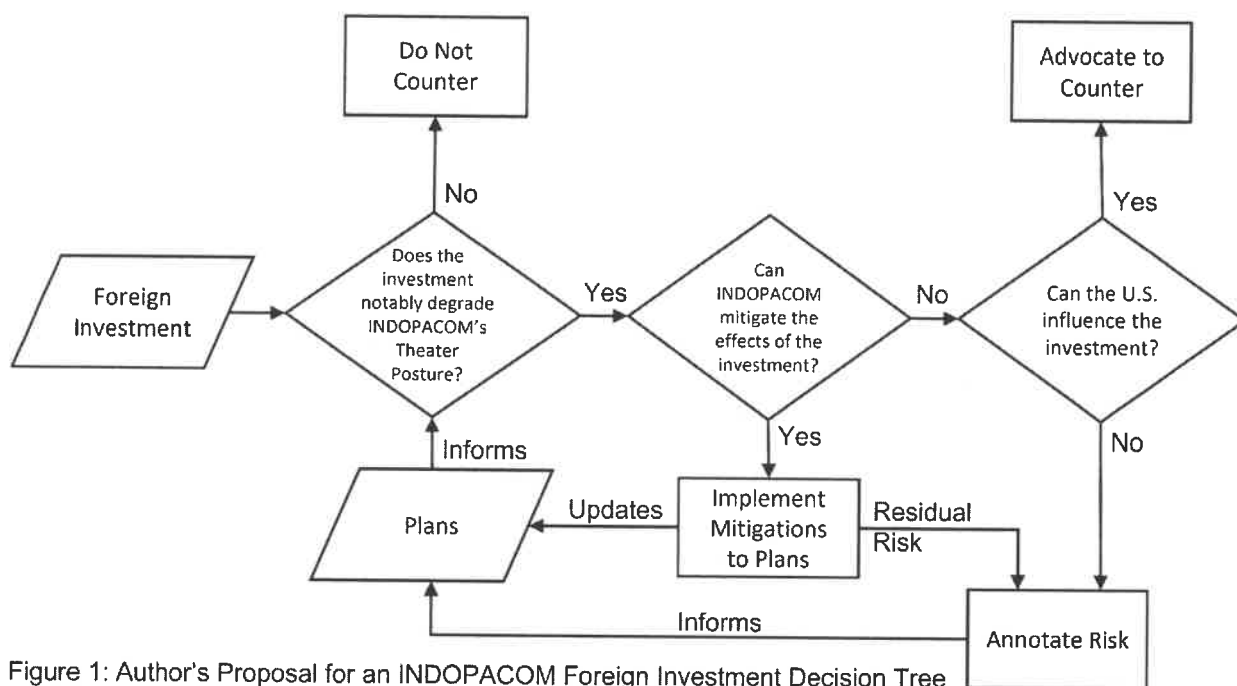


Figure 1: Author's Proposal for an INDOPACOM Foreign Investment Decision Tree

First, INDOPACOM must assess whether the subject foreign investment could degrade its theater posture and whether the degradation is significant enough to merit further analysis. This could be accomplished by reviewing war plans, campaign plans, or evaluating current

⁴⁷ Charles Wolf, Jr., Brian G. Chow, Gregory S. Jones, and Scott Harold, *China's Expanding Role in Global Mergers and Acquisitions Markets*, (Santa Monica, CA: RAND, 2011), 33.

operations. For example, if relocating Marines from Tinian to Australia renders sections of a war plan untenable, then INDOPACOM should continue the analysis. Conversely, if the relocation were deemed an acceptable risk with little consequences, then the decision tree ends, and INDOPACOM would take no action. When conducting this calculus, INDOPACOM should also consider supporting commands that are key to its military success. Examples would include logistics infrastructure that supports United States Transportation Command (TRANSCOM) or military facilities necessary for United States Strategic Command. If the answer to this question is "no," the decision tree ends, and the foreign investment remains unchallenged. If the answer is "yes," then the decision tree continues.

Second, INDOPACOM must determine if it can mitigate the effects of the subject foreign investment through other means and if the costs of those mitigations are acceptable. For example, if foreign investment is targeting an energy company that supplies fuel to military installations in the Western Pacific, INDOPACOM may decide to pivot their contracts to an alternate company unaffected by foreign investment. If this action sufficiently mitigates the risk, then INDOPACOM can make the adjustments, update its plans, and the decision tree ends. If mitigations are insufficient, then INDOPACOM should update its plans, annotate the residual risk, and potentially revisit the subject investment in future analysis. If the effects of the investment cannot be mitigated, then the decision tree continues.

Third, INDOPACOM must determine if it's within the U.S.'s reach to influence the investment. If the investment targets infrastructure in an allied or partner nation, then the strength of that relationship and maturity of pre-existing cooperation will be essential. If the investment targets infrastructure in a nation void of pre-existing partnerships, options will be limited. For example, Chinese investment in the Port of Vladivostok may provide a significant

advantage for Chinese naval forces in the Sea of Japan. Still, it's unlikely the U.S. possesses the means to influence Chinese investment in a Russian seaport. If the investment is out of reach, then INDOPACOM should annotate the risk, update its plans, and move on. If the investment can be influenced through a KLE, coordination with the interagency, or support from one of the economic programs mentioned earlier, then INDOPACOM must advocate for this option.

Overall, this decision tree is intended to aid INDOPACOM as it navigates the choppy waters of Chinese foreign investment. By asking a series of three guiding questions, INDOPACOM can determine if it needs to counter the investment, how it might counter the investment, and whether influencing the investment is within its reach. Furthermore, the model helps INDOPACOM identify dangerous foreign investments that it can't affect but must elevate to the Department of Defense or Interagency. In all cases, INDOPACOM should codify the results of its analysis into war plans, campaign plans, or theater policy. This ensures risks are captured, mitigations are implemented, and plans are updated to place INDOPACOM forces in the best position possible to deter and, if necessary, defeat its adversary.

THE DEBATABLE VALUE OF A PROACTIVE THEATER POSTURE

In *Art of War*, Sun Tzu advises military commanders to prioritize analyzing potential battlefields and preparing their forces for future conflicts. Through assessments and dispositions, military commanders can align critical factors in their favor, thereby improving their chances of victory.⁴⁸ While most military scholars agree with Sun Tzu, some practitioners claim the value of possessing a strong theater posture in advance of major combat operations is debatable, and recent history supports their position. In 2001 the United States was not postured to execute major combat operations in Afghanistan. It lacked adequate support arrangements with

⁴⁸ Sun Tzu, *The Art of War*.

neighboring states, did not possess suitable bases from which to operate, and did not have sufficient logistical support in the region. Yet, when the need for military access, basing, and overflight arose, the United States was able to negotiate, coerce, or purchase the support needed to run a successful campaign and topple the Taliban.

However, it is unwise to compare the geographies of Afghanistan and the Western Pacific, and it is reckless to conflate the capabilities of the Taliban and China. Many military leaders agree that a fight against a peer adversary, such as China, will require every advantage possible, as far in advance as possible. In 2022, the Commander of INDOPACOM, Admiral John Aquilino, testified before the Senate Armed Services Committee. In his statement, he described INDOPACOM's theater posture as a "warfighting advantage" necessary for military victory.⁴⁹ Less than three weeks later, the Commander of TRANSCOM, General Jacqueline Van Ovost, testified before the same body. She argued the U.S. must "continually strengthen and diversify" its theater posture because diplomatic partnerships and theater posture provides "the positional advantage required to rapidly advance our national security interests, deter adversaries, and when necessary, win decisively."⁵⁰ Neither leader favors a wait-and-see approach, especially with China. Therefore, the United States should aggressively pursue a strong and resilient theater posture in peacetime so it can provide a rapid advantage in wartime.

CONCLUSION

The Belt and Road Initiative serves as a geostrategic weapon, enabling China to focus economic investment and amass influence at strategic locations. As showcased on Tinian Island, at the Port of Darwin, and throughout the Western Pacific, China uses its expanded economic influence to degrade INDOPACOM's theater posture and enhance its own. In response,

⁴⁹ Aquilino, *INDO-PACIFIC Command Posture*, 14.

⁵⁰ Van Ovost, *State of the Command*, 5.

INDOPACOM must triage, identify, and counter those foreign investments that present unacceptable risks to its theater posture. To aid this analysis, the author offers the decision tree in Figure 1. While this decision tree represents an initial look at this subject, further study could examine additional cases or incorporate the risks of surveillance and espionage to strengthen the model. Looking to the future, INDOPACOM should expect China to continue investing in strategic terrain. Such investments have yielded positive results; presently, China has no incentive to stop. Therefore, the United States must act urgently before China's indirect approach and economic maneuvering produce an unassailable position in the Western Pacific. To ignore China's actions is to accept a permanently degraded theater posture and all the military disadvantages that stem from it. Such an outcome would make any future war in the Western Pacific challenging to fight and impossible to win.

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