



The Pacific Deterrence Initiative

The *Pacific Deterrence Initiative* (PDI) is a congressionally established set of defense priorities intended to support U.S. strategic goals in the Indo-Pacific region.

Background and Purpose

PDI originated as part of the U.S. government's effort to counter the perceived security threat posed by People's Republic of China (PRC or China). Its nomenclature and structure were modeled on the European Deterrence Initiative (EDI), a similar initiative launched in 2014 to address Russian aggression in Europe.

Section 1251 of the National Defense Authorization Act for Fiscal Year 2021 (FY2021 NDAA; P.L. 116-283) created PDI by directing the Secretary of Defense to establish an initiative "to carry out prioritized activities to enhance the United States deterrence and defense posture in the Indo-Pacific region, assure allies and partners, and increase capability and readiness in the Indo-Pacific region."

PDI is not a separate appropriation to fund military activities; rather, it functions as a *budget display*, a way of directing the executive branch to demonstrate how it is using appropriated funds to accomplish congressional goals. Additionally, PDI only includes a subset of DOD's regional activities, so costs directly associated with it may not reflect the total cost associated with the U.S. presence in the Indo-Pacific.

According to the Senate Armed Services Committee (S.Rept. 116-236), the intent of PDI is to "focus resources on capability gaps" and "enhance budgetary transparency and oversight" by requiring the Department of Defense (DOD) to provide a detailed, region-specific account of spending and programs related to the purposes identified in Section 1251 of the FY2021 NDAA.

Since establishing PDI in FY2021, Congress has enacted provisions re-authorizing the initiative in each successive NDAA. Annual authorizations of funding and activities for PDI may be included as part of each NDAA's accompanying joint explanatory statement.

FY2024

Request

The FY2024 President's Budget identified \$9.06 billion from the broader DOD budget request that would support PDI. Released in March 2023, this submission included more than 50 line items organized into six activity categories intended to "respond to congressional direction to highlight investments focused on the Indo-Pacific region." It did not include DOD investments or activities that were "designed to address or deter broader strategic threats; easily transferrable between theaters; [or in support of] routine activities and exercises."

Activities and Amounts

Requested and authorized FY2024 activity categories and amounts were:

- **Modernized and Strengthened Presence.** Equipping, training, and positioning U.S. forces to "permit effective and timely employment to credibly deter and/or decisively engage in a future fight" (\$2.91 billion requested, \$8.07 billion authorized);
- **Improved Logistics, Maintenance Capabilities, and Positioning.** Building "a logistics and sustainment posture west of the [International Date Line]" able to support operations in a contested environment (\$1.1 billion requested, \$1.48 billion authorized);
- **Exercises, Training, Experimentation, and Innovation.** Developing "new integrated training," and "adapting tactics and technology training combat formations to employ advanced capabilities" (\$2.1 billion requested, \$2.03 billion authorized);
- **Infrastructure Improvements to Enhance Responsiveness and Resiliency of U.S. Forces.** Improving infrastructure to "enable employing dispersed air, maritime, and ground capabilities" and creating "resilient logistics nodes" to support "enhanced responsiveness and survivability" (\$2.38 billion requested, \$2.35 billion authorized);
- **Building Ally/Partner Capabilities, Capacity, and Cooperation.** Investing in allied and partner capabilities to "defend against aggression, conduct maritime security [and] maritime domain awareness operations, and participate in combined operations" (\$475 million requested, \$784 million authorized); and
- **Improving Capabilities Available to U.S. Indo-Pacific Command.** Funding for "critical manpower positions, technical advances, and joint management offices... as well as other critical support needs." (DOD requested \$126 million for this as a discrete category, but Congress did not authorize the category as a whole—rather, at least some of its lines appear to have been authorized as part of other categories).

Authorization and Other Legislative Activity

Section 1302 of the enacted FY2024 NDAA (P.L. 118-31), extended PDI authorization through FY2024. Congress authorized \$14.71 billion for FY2024 PDI activities, exceeding DOD's request by over 60%. The conference report (H.Rept. 118-301) accompanying the FY2024 NDAA stated that "the conferees strongly support PDI." It also directed the Comptroller General to conduct a review of PDI that would describe the process by which DOD develops its annual PDI request; compare the management of PDI to that of EDI; and recommend improvements to PDI budgeting, execution, and oversight.

Neither the Department of Defense Appropriations Act, 2024 (P.L. 118-47, Division A) nor the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (P.L. 118-42, Division A) mention PDI. Given the absence of dedicated PDI appropriations and the lack of geographical identification in DOD budget documents, the relationship between FY2024 PDI authorizations and FY2024 appropriations is unclear.

FY2025

Request

The FY2025 President’s Budget identified \$9.86 billion from the broader DOD budget request that would support PDI. This submission included more than 70 line items, organized into six activity categories under the same criteria used to prepare the FY2024 submission. Separately, U.S. Indo-Pacific Command (INDOPACOM) identified \$11 billion in unfunded priorities for FY2025, including some line items that appear in the FY2025 PDI request.

Activities and Amounts

- **Modernized and Strengthened Presence** (\$2.72 billion requested);
- **Improved Logistics, Maintenance Capabilities, and Prepositioning** (\$1.32 billion requested);
- **Exercises, Training, Experimentation, and Innovation** (\$3.02 billion requested);
- **Infrastructure Improvements to Enhance Responsiveness and Resiliency of U.S. Forces** (\$1.44 billion requested);
- **Building Ally/Partner Capabilities, Capacity, and Cooperation** (\$1.11 billion requested);
- **Improving Capabilities Available to U.S. Indo-Pacific Command** (\$258 million requested).

Authorization and Other Legislative Activity

Both the House-passed (H.R. 8070) and SASC-reported (S. 4638) bills for an FY2025 NDAA contain provisions that would extend PDI through FY2025 (Sections 1301 and 1243, respectively). Section 1301 of H.R. 8070 would create a new requirement for the INDOPACOM commander to identify certain “performance goals and measures to advance” PDI as part of the independent assessment already required by Section 1251(d) of P.L. 116-283. Section 1243 of S. 4638 would also modify the assessment required by Section 1251(d) of P.L. 116-283, adding new reporting requirements relating to North Korea, South Korea, and Japan.

Considerations for Congress

Congress may consider the extent to which PDI, as a congressionally mandated initiative, is achieving its two primary objectives—strengthening defense investments in the Indo-Pacific and improving congressional oversight of DOD’s regional activities—as well as its broader alignment with national strategy.

How is PDI affecting regional defense investments and activities?

Some debates over the efficacy of PDI in improving regional defense activities and investments have focused on

whether PDI should continue to function as a budget display, or if it should be modified to serve as a separate funding source.

Some Members and other stakeholders have indicated that PDI works well as a budget display, or that changing it into a standalone fund may not meaningfully improve outcomes. NDAA joint explanatory statements across multiple Congresses, for example, have expressed support for PDI as currently structured.

Other stakeholders have argued that PDI would be more effective if it included additional, dedicated appropriations beyond what is in the base budget. According to one commentator, the lack of dedicated funds suggests that PDI “reflects” but “doesn’t drive” DOD decision-making.

Congress may assess whether PDI is shaping regional defense activities and investments in ways that reflect its priorities. If Congress were to assess that PDI would be more effective as a funding source, Members could consider whether or not to amend Section 1251 of the FY2021 NDAA or take other legislative action to make additional appropriations available for PDI activities.

Does PDI offer Congress adequate visibility into DOD’s regional deterrence efforts?

Outside of PDI’s effects on regional deterrence itself, Congress may consider whether the current structure of PDI affords it adequate visibility and oversight. Some have argued that PDI does not provide Congress with a full and accurate account of DOD’s counter-China efforts, making it “an incomplete metric at best.” It is possible, however, that including more activities and investments could bring in spending that is not exclusively related to the statutory purposes of PDI.

Congress could consider whether or not to direct additional reporting—whether from DOD itself or other entities—on the planning, execution, and assessment of PDI activities (as it did, for instance, in the conference report accompanying the FY2024 NDAA). Congress could also consider whether or not to modify PDI objectives and procedures, or delineate PDI activities in separate funding tables accompanying annual defense legislation.

How does PDI fit into U.S. national strategy more broadly?

PDI is part of broader, whole-of-government efforts to counter what the 2022 National Defense Strategy described as PRC attempts to “refashion the Indo-Pacific region and the international system to suit its interests and authoritarian preferences.” Congress may therefore assess the extent to which PDI is contributing to, enabling, or otherwise aligned with other elements of U.S. counter-China strategy, including its relationship to: force and basing posture; weapon and munition development and production; operational concepts and warfighting plans; and regional alliances and partnerships.

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