

**Testimony before the US-China Economic and Security Review Commission:
Objectives and Future Direction for Rebalance Security Policies**

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March 31, 2016*

Thank you to the US-China Economic and Security Review Commissioners for inviting me to testify today. It is a privilege to be back with you—this time from the other side of the dais.

I hope to leave you with three main takeaways. (1) US interests in the Asia-Pacific have been tied to a post–World War II grand strategy of maintaining a preponderance of power across Eurasia (in Europe, the Middle East, and the Asia-Pacific). US objectives in Asia cannot be viewed in isolation from that strategic conception. (2) US security policies must operate within a diplomatic-political framework. We must continually ask, as you are right now, “What are we trying to achieve with our military and alliances?” In my view, Washington must become more diplomatically active in resolving territorial disputes plaguing the region, particularly in Southeast Asia. (3) Over the long term, the US needs as permanent a basing presence as possible southwest of Okinawa.

Let me flesh out these thoughts by responding to your specific questions:

What interests does the United States have in the Asia-Pacific, and how do these relate to the world order the United States seeks to promote?

Since the end of World War II, the United States has pursued a strategy of primacy across Eurasia.¹ Regarding Asia specifically, successive US presidents have found that this strategy has best served our interests, which in Asia include:

- 1) Defending the US homeland far forward;
- 2) Preserving a favorable balance of power in Eurasia, so that no power can dominate the continent;
- 3) Ensuring free military and commercial access to Asia’s maritime commons, while maintaining a high degree of political influence on continental Asia;
- 4) Preserving and continuing to refine the liberal international order consistent with the “US way of life,” as the framers of the US Cold War strategy put it; and
- 5) Building a network of friends and allies who support our interests.

US grand strategy has been largely successful. It has tamed security competitions between historic Asian rivals and created the conditions for dizzying economic growth—allowing us to even consider that we may face an “Asian century.”

¹ This includes the Carter Doctrine addendum, which added the Persian Gulf as an area of prime US security interests.

Are any of these interests threatened currently, and, if so, how should the United States respond?

The short answer is yes. As the commission knows well, since the end of the Cold War, China has developed its economic and military capacity to challenge our interests in Asia. In recent years, Beijing has utilized its instruments of national power for coercive purposes, even though China has been one of the greatest beneficiaries of the system the US shaped—one of open economies, free maritime commons, and sets of rules and customs meant to stem proliferation and generally tame rivalries.

It should be no surprise that China is translating wealth into power to further its ambitions for a national rejuvenation. The People's Republic is acting like every rising power before it. The only surprise is that many people are surprised.

Beijing's actions are inherently destabilizing. While China's economic growth thus far has occurred within the framework of the liberal economic system, it is now developing alternative economic institutions meant to further its political purposes, which include the dilution of US interests and the recreation of a "Sinosphere"—the natural state of geopolitics in Chinese eyes.²

In the security realm, the purview of this panel, China poses a serious challenge to the military strategy that has undergirded America's grand strategy of primacy. What are the elements of US defense strategy in Asia?

- 1) A forward basing posture for combat aircraft, large numbers of SSN and SSBN submarines, and carrier strike-groups to project power in Asia. US "boomer" submarines, armed with ICBMs, lurk underwater ready to act. These assets provide a continual, silent deterrent, while carrier strike groups present highly visible symbols of US power.
- 2) Control of the commons and the ability to summon overwhelming force anywhere and anytime. For the US to continue to be the prime player in Asia, it must retain the ability to command Asia's commons. This requires that the US properly steward its alliances and partnerships in order to maintain a forward deployed posture, while also adequately funding our military to ensure that our air and naval assets are modernized and ready for quick deployment.

It will be no surprise to you that China's military strategy thus far has been to "defeat the enemy's strategy." The People's Liberation Army (PLA) has built a precision strike complex made up of a ballistic and cruise missile force, undersea capabilities, integrated air defense, counter-space and cyber capabilities, and bombers and fighters that can deliver additional firepower against US and allied assets within Asia's "First Island Chain." For a time that in retrospect appears brief, this type of precision strike complex was the monopoly of the US military.

The PLA has created contested zones in its "near seas," allowing it to deny the US access to parts of the commons in the Western Pacific. The PLA can now threaten US logistical supply lines and bases throughout Asia, while also holding US assets at risk in space and cyberspace.

This military strategy is meant to exact a serious cost on US military forces attempting to project power into the "First Island Chain" and interdict US forces surging into Asia during a crisis. For example, in the event of conflict, carrier strike groups, the iconic symbol of US power projection, could face swarms of Chinese hypersonic cruise missiles, anti-ship ballistic missiles (or what are called in the press "carrier-

² Institutions such as the Asian Infrastructure Investment Bank.

killers”), and packs of diesel electric submarines. The PLA air force’s increasingly modern fleet of aircraft provides China with additional range in striking US bases and carrier groups.

Under the cover of these contested zones, China can employ coercive power against its neighbors to further its maritime and geopolitical interests. This strategy is undermining the foundations of US primacy. Absent primacy, it will be very difficult for the US to protect the other interests stated above.

We may not know with exactitude the nature of Chinese long-term plans for the region, but we do know that a China with greater coercive power will have a more substantial say in the economic and political life of this crucial region.

What are the security objectives of the Rebalance, and how have these evolved over time? Do these objectives reflect US regional and global interests, and are they permitting effective planning and execution of the security component of the Rebalance?

In 2011 President Obama announced a strategic “Pivot” or “Rebalance” to Asia. The strategy has two main premises.

- 1) Given the assumed rise of an “Asian Century,” more diplomatic and military power must be deployed to the Asia-Pacific region.
- 2) US involvement in the Middle East was a “distraction” from higher-order US strategic goals in Asia.

The first premise may be correct—although the seemingly long-term economic stagnation of China may call into question the viability of an “Asian Century.”³

The second strategic premise has proved faulty. As we have learned, if the US is to remain the world’s international leader, the sole superpower, we cannot pivot from any of Eurasia’s critical regions. Russia still has designs on Europe. When we retrench from the Middle East, problems arguably grow worse.

These regions are interconnected. Large Asian nations are importers of oil from the Middle East, and US partners in Asia look to Washington to keep open the sea-lines of communication (SLOCs) from the Pacific through the Indian Ocean. New partners are crucial to maintaining a favorable balance of power in Asia, but India, for example, will not play the role the US wishes it to in East Asia if jihadi terror festers on its western flank. Some of America’s largest would-be friends in Asia, such as Indonesia, have majority Muslim populations and are concerned about the return of global jihadi threats. Australia, one of Washington’s closest allies in Asia, regards radicalization in Indonesia as a prime security concern.

Russia also remains a player in East Asia—maybe a growing one if its energy exports are banned from Europe for the long term. The US must be mindful that it does not make it convenient for China and Russia to band together. In short, the US must think geopolitically and not just regionally.

³ Perhaps a topic for a separate hearing.

Even so, regional strategies that enhance our geopolitical goals are necessary. So let us assess the success of the Rebalance on its own terms. The Pentagon's 2012 Defense Strategic Guidance document states the following as US strategic goals in Asia:⁴

- Promoting a rules-based international order that ensures underlying stability and encourages the peaceful rise of new powers, economic dynamism, and constructive defense cooperation;
- Expanding networks of cooperation with emerging partners throughout the Asia-Pacific to ensure collective capability and capacity for securing common interests; and
- Ensuring that US forces maintain regional access and the ability to operate freely in order to promote stability and the free flow of commerce.

According to the *Asia-Pacific Maritime Security Strategy*, released by the Pentagon in 2015, US security goals include:⁵

- Strengthen US military capacity in the Asia-Pacific to deter conflict and coercion;
- Build maritime capacity for allies and partners;
- Strengthen maritime rules of the road; and
- Build regional security institutions to encourage the development of an open regional security architecture.

Strengthening US military capacity, offering allies and partners security assistance, and defending the maritime rules of the road are fine goals, but to plan and execute more effectively, the next administration will need to be clear about which security institutions should be strengthened or created and which states should be part of an "open regional security architecture."

I believe we need to operate at two levels. First, we need to find ways to better build coalitions of allies and friendly nations that operate together and further common interests. While an Asian NATO is not in the cards, a coalition of allies could work more closely together. For example, I believe that the US should be more active in its diplomacy in the South China Sea (SCS), assisting our allies and partners, who are claimants affected by China's expansive 9-dash line claim, to resolve disputes among themselves.⁶

Within an allied and partner diplomatic framework, Washington could more effectively posture our military and build partner capacity to help our friends protect their territories and rights, shaping the South China Sea in ways consistent with our interests in maintaining free and open maritime commons.

Second, we need regional security organizations, of which China is a part, to tame rivalries and find diplomatic solutions where our interests diverge.

⁴ US Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, January 2012, http://archive.defense.gov/news/Defense_Strategic_Guidance.pdf.

⁵ US Department of Defense, *Asia-Pacific Maritime Security Strategy*, http://www.defense.gov/Portals/1/Documents/pubs/NDAA%20A-P_Maritime_Security_Strategy-08142015-1300-FINALFORMAT.PDF.

⁶ Daniel Blumenthal and Michael Mazza, "A New Diplomacy to Stem Chinese Expansion," *Wall Street Journal*, June 10, 2015, <http://www.wsj.com/articles/a-new-diplomacy-to-stem-chinese-expansion-1433952079>.

Assess the implementation of the security component of the Rebalance. Have sufficient resources been devoted to achieving stated US objectives for this component, and what policy and investment changes, if any, should be made going forward? Is the United States investing sufficient resources to meet the requirements of the emerging Joint Concept for Access and Maneuver in the Global Commons (JAM-GC)?

Let me answer both questions together. In response to China's anti-access area denial (A2/AD) strategy, the US military must strive to maintain the ability to forward deploy and command the commons. This includes continuing to disperse, harden, and find new permanent basing in Asia; add forward deployed capacity; and modernize its air and naval arsenal. I will break down my assessment of the Rebalance security implementation into several parts: posture, partner cooperation, capacity, and capability.

Posture. The US Air Force currently relies heavily on Kadena Air Base in Okinawa, Kunsan and Osan Air Bases in South Korea, and Anderson Air Base in Guam; however these airfields are increasingly vulnerable to attack from China's suite of advanced ballistic and cruise missiles. The Rebalance has included several positive steps with regard to US posture in the region.

- 1) In 2011–2012, the US announced the rotational deployment of four Littoral Combat Ships in Singapore and of 2,500 marines to Darwin, Australia.
- 2) In January 2016, the Philippine Supreme Court ruled in favor of the Enhanced Defense Cooperation Agreement (EDCA), which will open up air and naval bases in the Philippines to US troops on a rotational basis. Just last week, it was reported that the US has received access to four new air bases in the Philippines.⁷

Even with these additions, rotational access will not make up for the fact that the US has no permanent presence southwest of Okinawa, even as the center of gravity of the Sino-American rivalry moves to the South China Sea. A longer-term goal for our diplomats should be for the US to build a permanent presence in Southeast Asia.

Partner Cooperation. As part of the pivot, the US has taken a number of smaller steps to enhance cooperation with allies and partners.

- 1) In Northeast Asia, the US has revised and updated its treaty with Japan to include enhanced joint operations, sold state of the art drones and Ospreys to Tokyo, and is currently in THAAD negotiations with Seoul.
- 2) In Southeast Asia, the administration partially lifted the long-standing US arms embargo with Vietnam.⁸ It has also pushed the Southeast Asia Maritime Security Initiative that will (hopefully, pending congressional funding) provide more than \$425 million in maritime capacity building over the next five years to Indonesia, Malaysia, the Philippines, and Vietnam. The US still spends only 1 percent of its Foreign Military Financing (FMF) in Asia—a figure that is not commensurate with our interests in the region. The Foreign Military Sales (FMS) program is another highly

⁷ These four bases are Basa Air Base in Luzon, Antonio Bautista Air Base in Palawan, Mactan-Benito Ebuen Air Base in Cebu, and Lumbia Air Base. Armando J. Heredia, "Analysis: New U.S.-Philippine Basing Deal Heavy on Air Power, Light on Naval Support," USNI News, March 22, 2016, <http://news.usni.org/2016/03/22/analysis-new-u-s-philippine-basing-deal-heavy-on-air-power-light-on-naval-support>.

⁸ Michael R. Gordan, "U.S. Eases Embargo on Arms to Vietnam," *New York Times*, October 2, 2014, <http://www.nytimes.com/2014/10/03/world/asia/us-eases-embargo-on-arms-to-vietnam.html>.

effective way to both build partner capacity and alliance cohesion. The US effectively used these programs to help South Korea, Japan, and Taiwan develop modern militaries.

Capacity. The government has not properly funded the rebalance.

- 1) According to the Congressional Budget Office (CBO), the Obama administration's FY2010 defense budget request of \$534 billion was \$40 billion below the level necessary to fund its own defense plans.⁹
- 2) Then in 2011, the Budget Control Act (BCA) made the defense budget problem even worse. The BCA eliminated \$400 billion in defense spending between 2012 and 2021 from the FY2012 budget request. If BCA is not reversed, it could strip more than \$1 trillion from the Department of Defense over time.¹⁰
- 3) In 2014, the National Defense Panel recommended a return to the Gates FY2012 budget baseline (FY2017 \$649 billion). By comparison, the administration's FY2017 base budget request is \$551 billion.¹¹
- 4) The US Navy's battle fleet is currently down to 272 ships. The National Defense Panel recommended a 323-345 ship fleet, but if sequestration remains in place, the Navy could fall to as low as 260 ships.¹²
- 5) In addition, the Navy has only 44 of the 77 ships it needs equipped with ballistic missile defense.¹³ For 10 years (from 2025 to 2035), the Navy will fall below its 48-boat SSN requirement.¹⁴ For 15 years (from 2027 to 2041), the Navy will fall below its 14-boat SSBN deterrence requirement.¹⁵
- 6) Budget shortcomings have also resulted in gaps in US presence in the Asia-Pacific. For example, in FY2013 the US had no carrier on patrol in the Western Pacific for five months. (USS George Washington was in port, but no other carrier was present in the PACOM area of responsibility.)¹⁶
- 7) In recent testimony before the Senate Armed Services Committee, PACOM Commander Admiral Harry Harris stated that he lacks sufficient submarine capacity to carry out the required mission set in his area of responsibility (AOR).¹⁷

⁹ Marilyn Ware Center for Security Studies, *To Rebuild America's Military*, American Enterprise Institute, October 2015, 64, <http://www.aei.org/wp-content/uploads/2015/10/To-Rebuild-Americas-Military.pdf>.

¹⁰ Ibid., 65.

¹¹ Mackenzie Eaglen and Rick Berger, "2017 Defense Budget: Offset Promising, but Today's Procurement Disproportionately Pays the Bills," American Enterprise Institute, February 2016, <http://www.aei.org/publication/2017-defense-budget-offset-promising-but-procurement-pays-bills/>.

¹² Mackenzie Eaglen and David Adesnik, *State of the US Military: A Defense Primer*, American Enterprise Institute and the Foreign Policy Initiative, October 2015, 5, <http://www.aei.org/wp-content/uploads/2015/10/State-of-the-US-Military.pdf>.

¹³ Ibid, 12.

¹⁴ Deputy Chief of Naval Operations, *Report to Congress on Annual Long-Range Plan for Construction of Naval Vessels for FY2015*, Office of the Chief of Naval Operations, June 2014, <http://navylive.dodlive.mil/files/2014/07/30-year-shipbuilding-plan1.pdf>.

¹⁵ Ibid.

¹⁶ Mackenzie Eaglen and David Adesnik, *State of the US Military: A Defense Primer*, American Enterprise Institute and the Foreign Policy Initiative, October 2015, 18, <http://www.aei.org/wp-content/uploads/2015/10/State-of-the-US-Military.pdf>.

¹⁷ To address this, the Pentagon might consider adding two Los Angeles class attack submarines to Guam or homeporting Virginia class SSNs in Indian Ocean, potentially in Diego Garcia.

Capabilities. There have been good suggestions on how to enhance our capabilities in the face of the Chinese precision strike regime from think tanks such as CSIS, CSBA, and AEI. All agree that the US needs additional survivable stealthy attack aircraft, airlift capabilities, THAAD and other ballistic missile defense, an accelerated long range bomber program, UAVs, innovative subsurface capabilities (UUVs), and especially more submarines.¹⁸

What opportunities does the United States have to further security cooperation with regional allies and partners, as part of the security component of the Rebalance? Are current efforts under the Rebalance strategy sufficient? What obstacles exist, and what conditions would be required to implement other forms of security cooperation? What countries outside the Asia-Pacific have interests in the region that align with those of the United States, and are current conditions conducive to stronger policy coordination?

Opportunities

Beijing's aggressiveness in the South and East China Seas has created more potential friends and allies for us than our diplomacy alone could have accomplished.

In addition to the new access arrangements and closer military ties Washington has negotiated with the Philippines and Australia, the US has enhanced its maritime training regiments with Indonesia and Vietnam. The US should focus on initiatives that knit together our allies and partners. I have written on this topic with colleagues, as has Dr. Rapp-Hooper—coalition maritime domain awareness is a good place to start.¹⁹

Japan will continue to be the linchpin of our regional strategy. Prime Minister Shinzo Abe has eased the way by increasing the defense budget, loosening interpretations of the constitution, and passing laws that allow for increased security missions. Last year, Japan signed strategic partnership agreements with Indonesia, Malaysia, the Philippines, and Vietnam. Tokyo has also agreed to give six maritime patrol vessels to Vietnam, sell three to Indonesia, and lend the Philippines money to purchase 10 maritime patrol vessels. Japan is currently bidding to supply Soryu-class submarines to Australia. The door is opening to joint patrols with the US, Vietnam, and Australia in the South China Sea. Japan is becoming a real security provider in the region.

¹⁸See for example Marilyn Ware Center for Security Studies, *To Rebuild America's Military*, American Enterprise Institute, October 2015, <http://www.aei.org/wp-content/uploads/2015/10/To-Rebuild-Americas-Military.pdf>; Andrew F. Krepinevich, "Maritime Competition in a Mature Precision-Strike Regime," Center for Strategic and Budgetary Assessments, April 13, 2015, <http://csbaonline.org/publications/2015/04/maritime-competition-in-a-mature-precision-strike-regime/>; Michael Green, Kathleen Hicks, Mark Cancian, Zack Cooper, John Schaus, et al, "Asia-Pacific Rebalance 2025: Capabilities, Presence, and Partnerships," Center for Strategic and International Studies, January 2016, http://csis.org/files/publication/160119_Green_AsiaPacificRebalance2025_Web_0.pdf.

¹⁹ Dan Blumenthal, "Networked Asia," *The American Interest*, May 1, 2011, <http://www.the-american-interest.com/2011/05/01/networked-asia/>; Dan Blumenthal, Randall Schriver, Mark Stokes, LC Russell Hsiao, and Michael Mazza, "Asian Alliances in the 21st Century," The Project 2049 Institute, August, 30, 2011, https://project2049.net/documents/Asian_Alliances_21st_Century.pdf; Van Jackson, Mira Rapp-Hooper, Paul Scharre, Harry Krejsa, and CDR Jeff Chism, "Networked Transparency: Constructing a Common Operational Picture of the South China Sea," Center for a New American Security, March 21, 2016.

Taiwan is really an opportunity more than a challenge. The democratic island had yet another peaceful election and is undertaking a peaceful transition of power. It is looking to build strong relations with the US and its allies (Japan and the Philippines) and is forging a responsible strategy on its own South China Sea claims. The challenge is how to integrate Taiwan into a common South China Sea strategy against vehement Chinese opposition and our own aversion to risk and change when it comes to the island.

Challenges

US diplomats need strategic guidance and political attention to shape a diplomatic and security order in Asia among countries who gained their independence not long ago and are wary of ceding sovereignty and strategic autonomy. Given Asia's history, the Association of Southeast Asian Nations (ASEAN) will not function as a supranational organization like the European Union (EU) for the foreseeable future, and it will be very difficult for it to negotiate common positions.

China expends tremendous efforts to divide ASEAN or any other regional grouping not dominated by Beijing. I believe that a US-led diplomatic initiative among the allied/partner claimant countries, as well as those with interests in Southeast Asia such as Indonesia, is necessary on a bilateral or trilateral level outside, or complementary to, the ongoing work of ASEAN.

The US should work to achieve as much agreement as possible among the non-Chinese claimants about how to settle South China Sea disputes over rights and territories. The US Secretary of State should be shuttling between Hanoi, Kuala Lumpur, and Manila, while also consulting with Taipei to produce a negotiated settlement. This effort will provide us all with more diplomatic leverage over China. It would also help the US clarify the objectives behind the use of its military power, which should be utilized for continued Freedom of Navigation Operations (FONOPs), as well as to protect agreed upon territory and rights of US allies. I flesh this "shuttle diplomacy" concept out in the *Wall Street Journal* piece cited below.²⁰

The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for congressional action related to the topic of your testimony? What role can Congress play in helping to further this component of the Rebalance strategy, and are there specific procurement questions or areas on which Congress should focus more closely going forward?

- 1) Engage in a South China Sea peace initiative that takes the lead in settling disputes among our claimant friends and allies and negotiates common positions on keeping the SCS an open maritime space.
- 2) Increase topline spending, and reverse defense cuts and sequestration. Imagine the change in the conversation we would be having if commanders had the ships they needed to simply execute the various missions they are tasked to do. If these cuts are not reversed, the US will have to change its strategy, possibly significantly, in Asia.

²⁰ Daniel Blumenthal and Michael Mazza, "A New Diplomacy to Stem Chinese Expansion," *Wall Street Journal*, June 10, 2015, <http://www.wsj.com/articles/a-new-diplomacy-to-stem-chinese-expansion-1433952079>.

- 3) Assess whether the US is taking on too many risks in other critical regions that affect Asia, and press high-level officials to state publicly how they are meeting global challenges while rebalancing.
- 4) Increase FMF in the Asia-Pacific region and expand the nascent Southeast Asia Maritime Security Initiative beyond \$425 million — security assistance represents one of the best ways to build partner cohesion and alliance capacity. This will require political compromise elsewhere, as the US may have to freeze or reduce FMF levels in other regions. Washington needs a large arms sale in the Philippines, for example, using both FMF and FMS to jumpstart our capacity building.
- 5) Build coalition ISR capabilities.
- 6) Push the executive branch on long-term plans for permanent basing in Southeast Asia.
- 7) More immediately, work with Congress to assess options to deter China from destabilizing responses to the Philippines court case, such as land reclamation at Scarborough Shoal.

Has a proper balance been assigned to each of the major components of the Rebalance—security, economic, and diplomatic—in light of US regional interests, and does the strategy have the right geographic focus? What areas, if applicable, should be given greater weight? Assess the role of the security component within the wider strategy.

I touched on the need for diplomatic activism in the South China Sea. I think the Trans-Pacific Partnership (TPP), while imperfect, would put the US in the economic “driver’s seat” in Asia, and I believe the US needs to expand the trade deal to include South Korea, Taiwan, and whichever Southeast Asian countries are organized and prepared to join.