

HOTSPOTS ALONG CHINA'S MARITIME PERIPHERY

HEARING
BEFORE THE
U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

ONE HUNDRED FIFTEENTH CONGRESS
FIRST SESSION

THURSDAY, April 13, 2017

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COMMISSION

WASHINGTON: 2017

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The Commission was created on October 30, 2000 by the Floyd D. Spence National Defense Authorization Act for 2001 § 1238, Public Law No. 106-398, 114 STAT. 1654A-334 (2000) (codified at 22 U.S.C. § 7002 (2001), as amended by the Treasury and General Government Appropriations Act for 2002 § 645 (regarding employment status of staff) & § 648 (regarding changing annual report due date from March to June), Public Law No. 107-67, 115 STAT. 514 (Nov. 12, 2001); as amended by Division P of the “Consolidated Appropriations Resolution, 2003,” Pub L. No. 108-7 (Feb. 20, 2003) (regarding Commission name change, terms of Commissioners, and responsibilities of the Commission); as amended by Public Law No. 109-108 (H.R. 2862) (Nov. 22, 2005) (regarding responsibilities of Commission and applicability of FACA); as amended by Division J of the “Consolidated Appropriations Act, 2008,” Public Law No. 110-161 (December 26, 2007) (regarding responsibilities of the Commission, and changing the Annual Report due date from June to December); as amended by the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, P.L. 113-291 (December 19, 2014) (regarding responsibilities of the Commission).

The Commission’s full charter is available at www.uscc.gov.

May 15, 2017

The Honorable Orrin Hatch

President Pro Tempore of the Senate, Washington, D.C. 20510

The Honorable Paul Ryan

Speaker of the House of Representatives, Washington, D.C. 20515

DEAR SENATOR HATCH AND SPEAKER RYAN:


We are pleased to transmit the record of our April 13, 2017 public hearing on “Hotspots along China’s Maritime Periphery.” The Floyd D. Spence National Defense Authorization Act for 2001 § 1238, Pub. L. No. 106-398 (as amended by the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal year 2015 § 1259b, Pub. L. No. 113-291) provides the basis for this hearing.

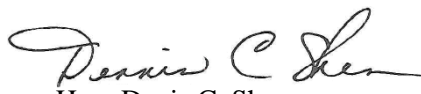
At the hearing, the Commissioners heard from the following witnesses: Robert G. Sutter, Professor of Practice of International Affairs, Elliot School of International Affairs, George Washington University; Timothy R. Heath, Senior International Defense Research Analyst, RAND Corporation; Mark R. Cozad, Senior International Defense Research Analyst, RAND Corporation; Christopher D. Yung, Donald Bren Chair of Non-Western Strategic Thought, Marine Corps University; Ian Easton, Research Fellow, Project 2049 Institute; James E. Fanell, Government Fellow, Geneva Center for Security Policy; Michael J. Green, Ph.D., Senior Vice President for Asia and Japan Chair, Center for Strategic Studies; Mira Rapp-Hooper, Senior Fellow, Center for a New American Security; and Jacqueline N. Deal, President and CEO, Long Term Strategy Group. The subject of the hearing was an overview of China’s simultaneous preparations for contingency operations that target U.S. allies, friends, and partners in the Asia-Pacific. It specifically examined Beijing’s perception of security challenges posed by Taiwan and overlapping maritime claims in the East and South China seas, and how the People’s Liberation Army plans to respond to those challenges. Additionally, this hearing explored the implications of potential Chinese aggression in this region for the United States and U.S. allies, partners, and friends should China initiate a conflict.

We note that the full transcript of the hearing will be posted to the Commission’s website when completed. The prepared statements and supporting documents submitted by the participants are now posted on the Commission’s website at www.uscc.gov. Members and the staff of the Commission are available to provide more detailed briefings. We hope these materials will be helpful to the Congress as it continues its assessment of U.S.-China relations and their impact on U.S. security.

The Commission will examine in greater depth these issues, and the other issues enumerated in its statutory mandate, in its 2017 Annual Report that will be submitted to Congress in November 2017. Should you have any questions regarding this hearing or any other issue related to China, please do not hesitate to have your staff contact our Congressional Liaison, Leslie Tisdale, at 202-624-1496 or ltisdale@uscc.gov.

Sincerely yours,


Carolyn Bartholomew
Chairman


Hon. Denis C. Shea
Vice Chairman

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HOTSPOTS ALONG CHINA'S MARITIME PERIPHERY

THURSDAY, APRIL 13, 2017

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Washington, D.C.

The Commission met in Room 419 of Dirksen Senate Building, Washington, D.C. at 9:30 a.m., Vice Chairman Dennis C. Shea and Commissioner Carte P. Goodwin (Hearing Co-Chairs), presiding.

OPENING STATEMENT OF VICE CHAIRMAN DENNIS C. SHEA HEARING CO-CHAIR

VICE CHAIRMAN SHEA: Good morning, everyone, and welcome to the fourth hearing of the U.S.-China Economic and Security Review Commission's 2017 Annual Report cycle. Today's hearing will lean heavily on the security portion of the Commission's mandate.

The Chinese Communist Party believes there are several threats that exist along China's maritime periphery. These threat perceptions have a defined geographic focus and are informed by fears about Taiwan independence, challenges to China's claims in the South China Sea, and Japan's administrative control of the Senkaku Islands in the East China Sea.

They result in a set of potential "regional hotspots" for which the People's Liberation Army is actively preparing for contingency operations. These operations, if executed, could lead to armed conflicts between China and U.S. allies, friends and partners in the Asia Pacific and could trigger a U.S. military response.

Authoritative documents such as China's 2015 defense white paper identify several missions tasked to the PLA that directly apply to hotspot contingencies, such as safeguarding security and sovereignty along China's land and maritime borders, which would include claims to features in the East and South China Seas and "unification of the motherland," code for preventing Taiwan's independence.

To prepare for a potential crisis along China's maritime periphery, senior Chinese leaders have directed the PLA to develop contingency plans and expand its military capabilities. However, one of the most pressing concerns faced by PLA planners is the consideration that the U.S. will intervene in a conflict. This consideration has led the PLA to pursue a robust military modernization program that includes developing long-range strike capabilities to engage an adversary farther from China's coast, improving training to conduct joint warfighting operations and preparing to fight in new security domains such as space and cyberspace.

Therefore, to better understand the challenges the United States may face concerning Chinese activities around these hotspots, this hearing will examine Beijing's perceptions of the threat posed by sovereignty challenges in the East and South China Seas and vis-a-vis Taiwan, how the PLA plans to respond to these challenges, and the implications of a conflict in the region

for the U.S.

We look forward to exploring these topics in more detail and hearing the insights of our superb lineup of witnesses, and before I conclude, I want to thank our witnesses for the effort they have put into preparing their excellent testimonies, and I also want to express my gratitude to the Commission staff, particularly Kris Bergerson and Caitlin Campbell, for the great work in organizing this discussion.

And I'll turn it over now to my hearing co-chair, Senator Goodwin, for his opening remarks.

**PREPARED STATEMENT OF VICE CHAIRMAN DENNIS C. SHEA
HEARING CO-CHAIR**

Hearing on “Hotspots along China's Maritime Periphery”

**Opening Statement of Dennis C. Shea
April 13, 2017
Washington, DC**

Good morning, and welcome to the fourth hearing of the U.S.-China Economic and Security Review Commission's 2017 Annual Report cycle. Today's hearing will lean heavily on the security portion of the Commission's mandate.

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Before I conclude, I want to thank our witnesses for the effort they have put into preparing their excellent testimonies. And thanks to the Commission's staff for their great work in organizing this discussion.

Let me now turn to my hearing co-chair, Senator Carte Goodwin, for his opening remarks.

OPENING STATEMENT OF COMMISSIONER CARTE P. GOODWIN HEARING CO-CHAIR

HEARING CO-CHAIR GOODWIN: Good morning, and thank you, Chairman Shea.

I join Chairman Shea in welcoming and thanking the experts that have done such great work and have agreed to join us here today. I would also like to thank the Senate Committee on Foreign Relations and its staff for helping us to secure today's hearing venue.

In carrying out the Commission's mandated task of examining China's military activities and their implications for the United States, this hearing seeks to understand the drivers behind China's threat perceptions, contingency planning, and military decision-making.

Taiwan has long been the primary driver of China's military modernization, which is designed to achieve the ability to effectively coerce Taiwan's political leaders, also deterring the United States from intervening in Taiwan's behalf should a cross-Strait conflict occur.

Chinese insecurity over relations with Taiwan has heightened in the past year with the change in political leadership in Taipei, and with it brought a corresponding increase in tensions and renewed Chinese efforts to pressure Taiwan.

Given this shift, it is more important than ever to understand China's contingency planning process and PLA training activity associated with potential Taiwan conflict scenarios.

The motivations behind China's more assertive approach to its claims in East and South China seas are more diverse. They include the protection of sea lines of communication, access to resources, the imperative for sea control, and nationalism--are all factors that play a role.

Given these varied drivers, the many actors involved, and China's increasingly high tolerance for risky behavior at sea, the East and South China Seas could easily give rise to a number of crises.

As with Taiwan, it behooves us to study Chinese views on the likelihood of such crises and of potential responses.

We seek these insights so that the Commission may provide the Congress with recommendations that help the United States maintain peace and stability in the Asia Pacific region.

As a reminder, and as always, the testimonies and transcript from today's hearing will be posted on our website at www.uscc.gov, where you'll also find a number of other resources, including our Annual Reports to Congress, staff reports, and links to important news stories about China and U.S.-China relations.

Additionally, please mark your calendars for the Commission's next hearing scheduled for May 4 on China's Information Controls, Global Media Influence and Cyber Warfare Strategy.

**PREPARED STATEMENT OF COMMISSIONER CARTE P. GOODWIN
HEARING CO-CHAIR**

Hearing on “Hotspots along China's Maritime Periphery”

**Opening Statement of Sen. Carte P. Goodwin
April 13, 2017
Washington, DC**

Good morning. I join my colleague in welcoming and thanking the experts who have joined us here today. I would also like to thank the Senate Committee on Foreign Relations and its staff for helping to secure today's hearing venue.

In carrying out the Commission's mandated task of examining China's military activities and their implications for the United States, this hearing also seeks to understand the drivers behind China's threat perceptions, contingency planning, and military decision-making. Taiwan has long been the primary driver of China's military modernization, which is designed to achieve the ability to effectively intimidate and coerce Taiwan's political leaders and deter the United States from intervening on Taiwan's behalf should a cross-Strait conflict occur. Chinese insecurity over relations with Taiwan has heightened in the past year since Tsai Ing-wen's Democratic Progressive Party has assumed political leadership in Taipei, and with it an increase in tensions and renewed Chinese efforts to pressure Taiwan. Given this shift, it is more important than ever to understand China's contingency planning process, and PLA training activity associated with potential Taiwan conflict scenarios.

The motivations behind China's more assertive and coercive approach to its claims in the East and South China Seas are more diverse: the protection of sea lines of communication; access to resources; the imperative for sea control; and nationalism all play a role. Given these varied drivers, the many actors involved, and China's high tolerance for risky behavior at sea, the East China Sea—and especially the South China Sea—could easily give rise to a number of crises. As with Taiwan, it behooves us to study Chinese views on the likelihood of such crises, and potential responses.

We seek these insights into these developments so that the Commission may provide the Congress with recommendations that help the U.S. maintain peace and stability in the Asia Pacific region.

As a reminder, the testimonies and transcript from today's hearing will be posted on our website at www.uscc.gov. You will find a number of other resources there, including our Annual Reports to Congress, staff reports, and links to important news stories about China and U.S.-China relations. And please mark your calendars for the Commission's next hearing, “China's Information Controls, Global Media Influence, and Cyber Warfare Strategy,” which will take place on May 4.

I will now kick off our first panel by introducing the three experts here to discuss China's threat perceptions, senior political and military leadership thinking about conflict, and how the PLA prepares contingency plans.

PANEL I INTRODUCTION BY COMMISSIONER CARTE P. GOODWIN

I'll now kick off our first panel by introducing the three witnesses here to discuss China's threat perceptions, senior political military leadership thinking about conflict, and how the PLA prepares contingency plans.

Our first panelist is Dr. Robert Sutter, Professor of Practice of International Affairs in the George Washington University's Elliott School of International Affairs. During his distinguished government career, Dr. Sutter served as the Senior Specialist and Director of the Foreign Affairs and National Defense Division of the Congressional Research Service, the National Intelligence Officer for East Asia and the Pacific at the National Intelligence Council, and the China Division Director at the Department of State's Bureau of Intelligence and Research, as well as a professional staff member of the Senate Foreign Relations Committee.

Dr. Sutter will address the geopolitical conditions and potential political triggers that exist along China's maritime periphery that could turn a hotspot into a conflict.

Following Dr. Sutter, we're happy to welcome Mr. Timothy Heath, a Senior International Defense Research Analyst at the RAND Corporation and a member of the Pardee RAND Graduate School faculty. Prior to joining RAND, Mr. Heath served as the senior analyst for the U.S. Pacific Command China Strategic Focus Group, and has experience conducting analysis at the strategic, operational and tactical levels in both the U.S. military and government, specializing in China, Asia and security topics.

Mr. Heath will discuss how Chinese political and military strategists think about regional hotspots along the maritime periphery and the threats they could pose to Chinese Communist Party rule.

Finally, we're happy to welcome back Mr. Mark Cozad, a Senior International Defense Policy Analyst at the RAND Corporation. Mr. Cozad's work at RAND focuses on strategic warning, intelligence analysis, and security issues in Europe and East Asia.

Before joining RAND, he served in both the military and intelligence community, including assignment as the Defense Intelligence Officer for East Asia and as the Deputy Assistant Deputy Director of National Intelligence for the President's Daily Brief.

Mr. Cozad will focus on PLA planning efforts associated with contingency operations in the East and South China Seas.

I'll remind the witnesses to try to keep your opening remarks to seven minutes and then we'll open it up for questions from the Commission.

Dr. Sutter, we'll begin with you.

**OPENING STATEMENT OF ROBERT G. SUTTER, PH.D.
PROFESSOR OF PRACTICE OF INTERNATIONAL AFFAIRS, ELLIOT SCHOOL OF
INTERNATIONAL AFFAIRS, GEORGE WASHINGTON UNIVERSITY**

DR. SUTTER: Thanks very much. It's a great pleasure for me to be here, and I'm glad my prepared statement will be for the record. I'm responding to the questions that were asked to me, and those questions have to do with the evolution of the situation, how dangerous I see it at this time, dealing with these three crisis points along the rim of China.

First, I have a few general points of background, and then I'm going to talk a bit about the evolution because I think we've learned a lot in this process and then look at the situation today.

My basic point is the situation today is more serious than it's ever been. That's not so much because of the intensity of each conflict, but if you look at North Korea and add that in, it's very serious, it's that there are so many. There are now four of these kinds of things going on with lots of different actors.

The main problem in this has been China over the last 25 years, and China has more ambitions. It has ambitions and it's able to carry them out, and it's been successful in many ways. And so that's a serious factor that we need to keep in mind.

But then the general points. The four general areas of potential conflict along China's rim are Taiwan, the South China Sea, the East China Sea, and North Korea.

The rim was relatively calm immediately after the Cold War. Tension rose in the mid-1990s. Usually it involved one or two of the four potential hotspots that I noted. Periods of tensions sometimes were episodic and sometimes prolonged.

The causes of tensions involved regional leaders, but the main determinants were China and the United States.

The evolution. Territorial disputes in the East China Sea and the South China Sea remained under control until about ten years ago. Serious tensions in Korea arose in 1994 and have focused on North Korea's nuclear weapons development. A level of calm though came with the 1994 Agreed Framework, Pyongyang's outreach to South Korea in 2000, and during the Six Party Talks 2003 to 2009.

Taiwan was the focus of the period of greatest tension in this 20-year period. Beijing surprised Washington with its massive military response to the United States allowing the Taiwan president to visit in 1995.

Eventually, the U.S. government in 1996 sent to Taiwan two aircraft carrier battle groups to face off against Chinese intimidation and threat. Both China and the United States pulled back, sought positive engagement, but also undertook military buildups targeting one another.

Until 2008, presidents in Taiwan often took further steps seen as provocative by Beijing and Washington. The U.S. and Chinese militaries remained on high alert to counter the other, but their leaders gradually worked in parallel to dissuade Taipei from provocations.

One of my arguments about why we won't have conflict is this experience. This experience over Taiwan between the United States and China I think was very important and leads the two sides to work together to avoid a major military conflict.

Taiwan's new president in 2008 reassured Beijing and facilitated cross-Strait relations. The reduced tensions were welcomed by the Chinese and U.S. governments. That calm ended

when Taiwan voters in 2016 elected a president viewed negatively by Beijing. China has steadily ratcheted up pressures on the new government ever since.

More secure about Taiwan, beginning in 2008, Beijing took more assertive actions to advance its control in disputed East and South China Sea islands. Also Beijing saw the U.S. as weaker in the wake of the American financial crisis of 2008. It took a tougher stance on longstanding U.S.-China differences at the start of the Obama government. The Chinese pressures prompted the Obama government to greater activism over territorial disputes among other matters in its pivot to Asia, which came out in late 2011.

Sino-American tensions rose some more in 2012 as China used coercive measures against Japan and the Philippines and incoming strongman leader Xi Jinping was determined to advance control over disputed territory even at the cost of rising tensions with the United States.

President Obama was restrained and reactive. He eventually complained about Chinese bullying but was unsuccessful in stopping China's incremental expansion in the South China Sea.

The United States did strongly back Japan standing firm over territorial disputes in the East China Sea. For now, that dispute remains under control. The South China Sea claimants are much weaker than Japan and Chinese advances continued.

After several years of Chinese coercion and expansion, U.S. military actions and reported private pressure from President Obama saw China halt, at least for now, reported plans to expand its remarkable island building in the South China Sea to include Scarborough Shoal near the Philippines.

The status and outlook. Today, U.S. and Chinese leaders continue to have strong reasons for avoiding confrontation and conflict with one another. Nevertheless, the chances of such confrontation over issues along China's rim are higher now than at any other time after the Cold War.

The tensions in three of the four hotspots, Korea, South China Sea and Taiwan, are rising, and the East China Sea situation remains fraught.

Xi Jinping's determination against the resolute Taiwan president and in advancing control in disputed seas continues to be strong.

The U.S. leaders are less restrained today. They're less predictable. They're more willing to see tension rise in U.S.-China relations as they seek to offset Chinese coercive advances. American actions to effectively counter China probably will need to be much stronger in order to change Chinese calculations based on recent practice showing perceived American weaknesses.

And then there were two other questions as whether China views the situation as too late to avoid conflict? I say no. It's working fine for China. This has been working fine for China, the way, the incremental expansionism in the face of a less than resolute American position.

What would cause China to reset? This would involve two things in my judgment. Number one would be an effective U.S. strategy to dissuade Chinese advances. Or the other is a U.S. deal, a U.S. deal with China that would be seen as overall in American interests.

**PREPARED STATEMENT OF ROBERT G. SUTTER, PH.D.
PROFESSOR OF PRACTICE OF INTERNATIONAL AFFAIRS, ELLIOT SCHOOL OF
INTERNATIONAL AFFAIRS, GEORGE WASHINGTON UNIVERSITY**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

Thank you for this opportunity to testify before the Commission in response to the following questions regarding hot spots along China’s rim, China’s view of those hot spots and the potential for conflict:

- What geopolitical conditions or political triggers influence whether conflict could break out in these hotspots?
- How have these conditions evolved over time?
- Is the potential for conflict in each of these hotspots more or less remote than in years past, and why?

[I received added questions about future developments and will address them in the last part of this testimony.]

These hotspots involve Taiwan, the South China Sea islands and the East China Sea islands. With the added rising tensions in Korea on account of the growing threat posed by North Korea’s nuclear weapons development, I argue that this part of the world is more prone to serious conflict than at any time since the end of the Cold War. As noted below, a pattern seen in the post Cold War period has been to have one or two of these potential flashpoints become seriously tense for a time and then subside. We are now at a point where three of the four areas (North Korea, Taiwan and South China Sea) have become seriously tense recently, with the East China Sea islands remaining fraught.

The Roles of China and the United States

Regional actors play a role in each of the hot spots but China and the United States are more important determinants of serious conflict. Both powers have sound reasons to support their continued avowals of avoiding confrontation and conflict with one another. Such confrontation could be disastrous for their highly interdependent economies and the political standing of their leaders, and it risks uncontrolled military escalation. The two powers remain in close communication and have created a variety of agreements and understandings designed to manage U.S.-China military tensions in order to avoid unwanted confrontation.

Relevant Background

Both powers came to these understandings through difficult experiences in the post Cold War period. In 1995 China reacted very harshly to the United States granting Taiwan President Lee Teng-hui (1988-2000) a visa to come to the United States, seeing a U.S.-Taiwan conspiracy to promote Taiwan independence. The crisis involved nine months of periodic live fire military exercises and ballistic missile tests targeting Taiwan and it was not stilled until the U.S. government felt compelled to send two aircraft carrier battle groups to face off against Chinese intimidation and threat.

The situation remained very tense throughout the next decade as China began a massive effort that continues up to the present to build military capacity to intimidate Taiwan, forestall Taiwan independence, and erode U.S. ability to intervene in a Taiwan contingency. American military planners escalated their preparations to insure that U.S. forces could protect Taiwan if attacked. The governments of Taiwan President Lee Teng-hui and Chen Shui-bian (2000-2008) took various steps seen by Beijing as moving Taiwan toward independence, adding to tensions that eventually prompted Washington and Beijing to work in parallel to curb such pro-independence tendencies.

The election of President Ma Ying-jeou (2008-2016) saw Taiwan policy shift dramatically against Taiwan independence in favor of accommodating Beijing. The Chinese and U.S. governments both welcomed the shift. Cross strait tensions declined dramatically, though China's impressive military modernization remained focused on anticipated conflict with the United States over Taiwan.

Unfortunately, the decline in tensions over Taiwan was accompanied by a rise in Chinese assertiveness in defense of its territorial claims over the East and South China Seas. The assertiveness coincided with tougher Chinese public criticism of the new Obama government over Taiwan, Tibet, economic issues and U.S. surveillance and military activity along China's rim. Related factors included Chinese strategists' view that the United States was seriously weakened by the financial and economic crisis begun in 2008, while China's capacity to take greater control of its maritime claims along China's rim had increased dramatically in recent years.

Against that background came the Chinese advances in 2012 in coercively taking control from the Philippines of Scarborough Shoal in the South China Sea and confronting Japan with massive and often destructive demonstrations (unprecedented against a foreign target), repeated shows of force by Chinese coast guard and other security forces, economic sanctions and broad ranging rhetorical threats targeting Japan's control of the disputed Senkaku/Diaoyu Islands. It soon became clear that the coming to power that year of strong-man leader Xi Jinping (2012-) marked a new period of greater Chinese boldness in pursuing its interests using intimidation and coercion along with persuasion at the expense of neighbors and the United States. In particular, Xi's regime:

- Departed from China's previous pragmatic cooperation with U.S. under President Hu Jintao 2002-2012.
- Used wide ranging coercive means short of direct military force to advance Chinese control in East and South China Sea at expense of neighbors and key American interests.
- Used foreign exchange reserves and massive excess industrial capacity to launch various self-serving international economic development programs and institutions that undermine U.S. leadership and/or exclude the US.
- Advanced China's military buildup targeted mainly at the United States in the Asia-Pacific region.
- Cooperated ever more closely with Russia as both powers increasingly have supported one another as they pursue through coercive and other means disruptive of the prevailing order their revisionist ambitions in respective spheres of influence, taking advantage of opportunities coming from weaknesses in Europe, the Middle East and Asia.
- Continued cyber theft of economic assets, IPR, grossly asymmetrical market access, investment and currency practices, and intensified internal repression and tightens political control—all with serious adverse consequences for US interests.

The Barack Obama administration was reactive and reserved in response. Japan was firm in defending its claimed islands and the United States strongly reaffirmed the commitment to the U.S.-Japan alliance which it said applied to the disputed islands that were administered by Japan. Chinese shows of force and other pressures on Japan continued but failed to change Japan's continued control of the islands.

The Obama government used its rebalance policy to promote more robust U.S. diplomatic, military and economic engagement throughout the broad Asia-Pacific region that promised continued close U.S. engagement with China along with growing U.S.-Chinese competition in the region. The policy proved insufficient to halt Chinese intimidation, coercion and egregious advancement of its control in the South China Sea, notably Beijing rapid building of artificial islands with modern airstrips and infrastructure for military defense of the outposts.

Usually reserved President Obama beginning to 2014 complained often about Chinese behavior challenging U.S. interest in preserving stability; President Xi tended to publicly ignore the complaints which were dismissed by lower-level officials. Xi emphasized a purported "new great power relationship" with the U.S.—American critics saw Xi playing a double game.

In 2015 and 2016, the American military leaders became much more vocal against China's advances and there were more frequent American shows of force and military resolve in the South China Sea. A high point of tension came when amid reports that Chinese dredgers were preparing to create island outposts at strategically located Scarborough Shoal near The Philippines in April 2016, U.S. armed jet fighters were deployed to patrol over the Chinese occupied shoal. This deployment underlined stronger American resolve that along with private Obama administration warnings got the Chinese to stop such egregious expansion, at least for the time being.

Status and outlook of flash points—key drivers of concern.

The evolution and status of the three hot spots along China's maritime rim show the main driver of tension is China's greater determination to use impressive capabilities and coercive means short of direct military conflict to expand Chinese control over long-claimed territory. The Chinese actions have met with the varying degrees of resistance coming from the other claimants as well as the United States and other powers opposed to such coercive expansionism.

The Korean peninsula hot spot is driven heavily by the nuclear weapons development and other offensive actions by the North Korean government. Beijing's concern not to jeopardize the stability of the North Korean regime makes the existing U.S.-backed sanctions and other pressures insufficient to get North Korea to stop its nuclear expansion. As North Korea develops nuclear weapons capable of hitting the United States, the option of U.S.-led military action against North Korea receives more attention, significantly raising tensions on the peninsula and more broadly.

Chinese President Xi Jinping has consolidated his power as a strong-man ruler determined to pursue his broad goal of a "China Dream" that involves Chinese control of disputed territory and China's regional and global leadership. Against this background, greater Chinese pressure on one or more of the three hot spots involving disputed claims is expected. His government also continues to emphasize that it seeks to avoid military confrontation and conflict with the United States for reasons noted above. Those reasons remain strong and so greater Chinese pressure is likely to seek to avoid war with America.

Strong Japanese defense measures, adroit diplomacy by Japan's strong leader Shinzo Abe and firm U.S. support for Japan have resulted in a stand-off over the disputed East China Sea islands. The utility of greater Chinese pressure on this hot spot seems low at this time, while Chinese interests appear better served by waiting for an opportunity for expansion given changed circumstances involving possible flagging resolve by Japan or the United States.

The incentive for greater Chinese pressure on Taiwan is much higher following the election of Democratic Progressive Party leader President Tsai Ing-wen in 2016 and her refusal to endorse a one China statement used by the previous president which allowed for remarkable progress in cross strait interchange. Tsai's government poses a major challenge to Xi's nationalistic ambitions and Beijing is gradually increasing diplomatic, economic and military pressures to force it to accept Beijing's one China requirement. The alternative is increasing negative consequences for Taiwan designed to discredit Tsai government rule and prompt voters to choose a candidate more accommodating of China in the next election.

Xi Jinping's government has registered significant success in coercively expanding its control in the South China Sea. The results are seen worldwide through photography and news reports of the latest construction on the newly built modern Chinese outposts on disputed reefs and islets. The resistance by other claimants, Southeast Asian nations and the Association of Southeast Asian Nations (ASEAN), the leading regional organization, has been episodic and overall very

weak. Notably, the Philippines new government in 2016 switched from a policy of confrontation to accommodation of China. It played down the success of the previous government's case at the arbitral tribunal in The Hague which resulted in a ruling in July 2016 against most of Chinese territorial claims in the South China Sea. A Chinese diplomatic and media campaign coupled with economic enticements and stern warnings was successful in getting regional states and other concerned powers to play down the significance of the ruling and follow Chinese guidelines for negotiations by the claimant countries that excluded other concerned nations like the United States.

As noted above, the Barack Obama government reacted to the Chinese advances and over time registered increasing concern over Chinese "bullying" of neighbors. U.S. military actions eventually reached a point in 2016 where reported Chinese dredging on disputed Scarborough Shoal did not take place. While China may not advance on Scarborough Shoal in order to avoid a face-off with U.S. forces and a major crisis in newly improved Chinese relations with the Philippines, few observers expect Chinese expansion in the South China Sea to stop.

In sum, China today has strong incentives to continue expansion in the South China Sea and to add to pressures on the Tsai Ing-wen government on Taiwan. China's refusal to risk destabilizing the North Korean government may be reinforced by the ending of the conservative South Korean government and the projected election of a new leader from among South Korean progressives seeking negotiations with North Korea.

The Role of the United States

Whether or not these Chinese policies and practices lead to conflict will depend heavily on the actions of the U.S. government. The Barack Obama government gave high priority to maintaining stability and advancing in areas of common ground in U.S.-China relations. It was reluctant to allow differences with China on issues like the South China Sea to spill over and impact negatively other areas in the relationship. China has a common practice to threaten a country's interests in one policy arena in order to pressure the country to comply in another area (seen most recently in Beijing's economic and diplomatic pressures against South Korea and its deployment of the THAAD missile defense system there.). The Obama government eschewed such "linkage" in dealing with China. And its criticisms and actions against China were generally transparent, carefully modulated and predictable.

The Obama administration's approach was strongly criticized as part of what Republicans in the Congress and Republican candidates during the 2016 presidential campaign called a pattern of weakness in U.S. foreign policy. Generally consistent with these criticisms, President Donald Trump supports a stronger military and more resolute American foreign policy in defense of U.S. interests. His statements and actions also show less priority than the Obama government on maintaining stability in U.S.-China relations and a much greater willingness to engage in linkage in dealing with China from an advantageous position even though such practices risk rising tensions in the U.S.-China relationship. President Trump sharply criticized President Obama's predictability in foreign affairs, arguing that unpredictability is a better approach, despite the

tensions that arise with such an approach.

In sum, apart from the Korean peninsula, the main danger of conflict along the China's maritime periphery focuses on how likely continued and advancing Chinese pressures will mix with the policies and practices of the new U.S. administration. The Barack Obama administration reached a point in May 2016 where it seemed prepared to shoot if Chinese dredgers began work on disputed Scarborough Shoal. Given the strong Republican criticism of the Democratic president's perceived weakness in this and other areas of U.S. foreign policy, one can anticipate stronger U.S. actions in the face of Chinese advances, posing greater risk of conflict. Such a risk will be offset by both governments continued strong interest in avoiding direct military confrontation and conflict but the balance between the two is more uncertain than in the recent past.

Concluding Questions and Answers

Are there any likely indicators that may indicate that Beijing has concluding that it is too late to avoid a conflict?

Beijing's behavior up to this point has shown careful steps to avoid conflict with the United States. China has been incrementally and opportunistically expanding its influence in ways that take advantage of regional and U.S. weaknesses, distractions and policy choices that have led to failure in stopping Chinese advances. The Chinese approach has gained a lot in the South China Sea. Thus far, the U.S. actions and other regional developments have not prompted China to reevaluate its continued pursuit of opportunistic incremental advances short of military conflict.

What opportunities might exist that would allow China to reset its calculations that would result in the status quo being maintained before a conflict occurred?

Such opportunities depend on circumstances at home and abroad that determine Chinese advances at others expense along its maritime rim. For now, domestic circumstances seem to favor pursuing recent advances, short of military conflict. Thus, the main determinant of a Chinese "reset" probably will be external change. The key determinant is the United States. What would cause China to stop its recent advances could involve two broad options for the United States: 1. a credible U.S. strategy backed by U.S. economic and military strengthening and adroit diplomacy that would employ positive and negative incentives that would dissuade further Chinese advances at others expense along its maritime rim. 2. a negotiated U.S. agreement with China that would accommodate at least some of the Chinese demands for nearby territory and territorial rights controlled and/or claimed by others that would have sufficient benefits for U.S. interests to be acceptable to the U.S. administration and Congress.

Thank you very much.

HEARING CO-CHAIR GOODWIN: Thank you, Doctor.
Mr. Heath.

**OPENING STATEMENT OF TIMOTHY R. HEATH
SENIOR INTERNATIONAL DEFENSE RESEARCH ANALYST, RAND
CORPORATION**

MR. HEATH: Good morning, Chairman Bartholomew, Vice Chair Shea, members of the Commission and staff. Thank you for granting me the privilege of speaking with you today on this important topic.

In my remarks, I will discuss how Chinese political and military leaders and thinkers view the prospects for conflict with Taiwan and in the East and South China Seas. I will also address how Chinese leaders might regard escalation in any conflict involving U.S. forces.

China's national strategic objectives weigh in any calculation regarding the use of force. To sustain the economic growth needed to realize their leaders' vision of national revitalization, China requires international stability and the protection of economic-related interests abroad, such as vital sea lines of communication and access to natural resources.

At the same time, however, China's leaders appear to regard unification with Taiwan and control of disputed land and maritime territory as part of the vision of national revitalization.

Chinese leaders have voiced, for example, a declining willingness to compromise on any sovereignty or territorial issue. Military leaders have responded to this somewhat contradictory impulse by offering a flexible array of options for the exercise of military power to address these dispute issues.

Through a growing literature on war control, crisis management, crisis containment and related concepts, military thinkers advocate the following principles: the prioritization of peacetime over wartime uses of military power; the controlled use of military force in a contingency; and close coordination between military and civilian authorities in the defense of the country's interests.

How do Chinese analysts regard the potential for conflict over the near and long term? To support what Dr. Sutter's comments just emphasized, for the near term, official documents suggest Beijing regards the overall risk of major war as relatively low. However, they do acknowledge a growing risk of some sort of militarized crisis. Whether these flashpoints erupt over the longer term will depend on a number of variables, among the most important of which will be the evolution of the U.S.-China relationship and on the details of specific issues.

Taiwan remains the most dangerous flashpoint due to the clash between Beijing's commitment to unification and Taiwan's preference for autonomy. In the South China Sea, Chinese sources indirectly assess a higher risk of some sort of military crisis arising from maritime disputes but an overall low risk of major war with its southern neighbors.

On the other hand, Chinese commentators worry that the possibility of war with Japan may increase over time due to the deep historical animosities and the broader array of dispute issues.

Chinese official media and commentary offer generally hopeful views of the future U.S.-China relations although some foresee potential conflict. Official policy documents project hopeful confidence about the bilateral relationship, but a few commentators hint that conflict may arise if Washington does not change its policies and accommodate Chinese demands.

These sources provide some insight into how China might approach disputes involving

Taiwan and the maritime areas.

First, one should expect China to seek incremental gains at the lowest cost, always balancing tactical gain against broader strategic risks.

Second, one should expect China to prioritize peacetime shaping efforts.

Third, Chinese leaders may be tempted to employ brinksmanship behavior in a militarized crisis in hopes of securing some favorable change to the status quo.

And finally, should a crisis escalate to conflict, China can be expected to pursue a controlled use of force in hopes achieving limited political objectives while managing the risks of escalation.

In a clash involving Chinese and U.S. forces, Beijing would probably seek to avoid escalation due to the catastrophic effects major war could have on the nation's economy and political stability. At the same time, China is positioning itself to fight U.S. forces if necessary.

To balance the demand for defending the country's interests while managing the risks of escalation, China would likely rely on two principles:

First, it would rely on its nuclear retaliatory capability to deter the United States from employing nuclear weapons in a clash.

Second, China would try to avoid providing Washington the incentive to consider such a drastic escalation by setting political objectives far below a threshold that would merit such an attack. For example, in an initial clash with U.S. forces, China may be satisfied with the mere demonstration of its willingness and ability to fight.

It could also limit the geographic area of combat, thereby putting the onus on the United States to justify escalation. In any case, the precedent broken by a fight between Chinese and U.S. military forces would be ominous. Any fighting would dramatically raise the risk of major war.

In conclusion, China's calculus regarding the use of force may be evolving due to the country's growing national power, the political imperative to demonstrate its national strength and improvements to the military's preparedness.

However, the need for international stability and access to vital overseas interests continues to weigh heavily on any consideration regarding the use of force. Although Chinese leaders may be tempted to risk brinksmanship behavior in a crisis, they can be expected to generally behave cautiously, especially in any situation involving U.S. forces.

In the longer term, whether China may be able to risk a limited conflict will depend on many variables and cannot be confidently judged at this time. Militarized crises of any type open opportunities for miscalculation, however, and the risks will only grow should China breach the perilous threshold of engaging in hostile fire with any of its neighbors or antagonists.

I would like to close with three recommendations. First, U.S. decision-makers should consider preparing a similar menu of flexible options to respond to Chinese behavior in situations ranging from peacetime to conflict and different scales of forces involved.

Second, strengthening non-military assets, principally Coast Guard, among allies and partners is important for matching the Chinese ability to coerce and manage situations in the disputed maritime areas.

And third, U.S. policymakers should seek to strengthen economic initiatives and other non-military efforts that bolster leadership and influence in the region to complement our

military power as part of the peacetime shaping effort to counter Chinese efforts.
Thank you and I look forward to your questions.

**PREPARED STATEMENT OF TIMOTHY R. HEATH
SENIOR INTERNATIONAL DEFENSE RESEARCH ANALYST, RAND
CORPORATION**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

This testimony seeks to answer how Chinese political and military leaders and thinkers regard the prospects for conflict with Taiwan and in the East and South China Seas over the near, medium, and long terms and how they might respond to a related military contingency. It also aims to illuminate how Chinese leaders might regard escalation in any conflict involving U.S. forces.

I will endeavor to answer the questions primarily through the study of Chinese documents. Two points are in order before proceeding. The first concerns sources. Chinese official documents, like those of any country, tend to use diplomatic euphemisms and downplay or avoid particularly sensitive issues. Because the topics addressed in this testimony are among the most sensitive for any nation, the authoritative sources should not be expected to provide direct answers. However, they do contain key concepts and directives that weigh on the issues at hand. To illuminate the logic and meaning of these concepts and directives, I will examine scholarly writings and analyses by experts. I will focus in particular on writings from organizations well positioned to participate in the drafting of official policies or that reflect the intellectual climate surrounding policy deliberations. These commentaries and scholarly writings can provide a rich source of analysis and exposition, but they are not necessarily authoritative. Both sources of information have strengths and drawbacks. Official documents carry a high level of authority but withhold important information, while less-authoritative sources may provide a great deal of information, but have less credibility. The best way to offset the drawbacks of both sources is to pair them together, which is what I will do.

The second point concerns the intersection between the topics and the sources. Some of the questions in this testimony reflect political concerns, while others concern principally military issues. This matters because in China, each bureaucratic system is responsible for its own analytic and scholarly work. For insight into questions of strategy, policy, and overall threat assessment, officials and scholars associated with the Central Committee are best positioned to provide answers. Relevant sources include writings in the *People's Daily* (Renmin Ribao), the newspaper of the Central Committee, and in journals by key organizations in the Central Committee, such as *Outlook* (Liaowang), *Seeking Truth* (Qiushi), and *Study Times* (Xuexi Shibao). Experts in the foreign policy party-state apparatus help augment and expand on the foreign policy aspects of strategy and policy. For military topics, writings by military leaders and military research institutes provide the best sources. Appropriate venues include the Central

Military Commission (CMC) newspaper, *PLA Daily* (Jiefangjun Bao), and journals by the “think tank” of the CMC, the Academy of Military Science (AMS), such as *China Military Science* (Zhongguo Junshi Kexue). Books by scholars at AMS, such as the authoritative 2013 book, *The Science of Military Strategy* (Zhanluexue), and by scholars at the Chinese National Defense University can be very helpful as well. These will be the principal sources for this testimony.¹

Some of the questions raised by the testimony are unlikely to be directly answered by any of these sources, due to their hypothetical nature. None of these sources explain how China will handle conflict with the United States, for example. At most, military sources address the technical questions of countering military capabilities associated with U.S. intervention, while political sources may address strategic questions of how to manage bilateral relations in peacetime and in a crisis. Therefore, some degree of speculation is unavoidable, and a caveat is obviously in order as to the reliability of such conclusions.

Drawing from these sources and methods, this testimony will first outline how China’s leaders and relevant thinkers view the country’s strategic and political objectives as they bear on potential flashpoints that could involve the United States. Second, it will discuss how military thinkers regard the range of options to help the leaders manage related contingencies. Third, the testimony will draw from these sources and others to outline China’s potential approach to military crisis, conflict, and escalation control in flashpoints that could involve the United States and its allies.

China’s Strategic and Political Objectives

China’s leaders seek an ideal of national revival, called the “China Dream.”² The China Dream envisions a sustained improvement in the country’s standard of living and the country’s revitalization as a great power by mid-century under Chinese Communist Party rule. To sustain the economic growth needed to realize this vision, China requires international stability. China also needs to protect economic-related vulnerabilities abroad upon which its growth depends, such as vital sea lines of communication, access to markets, and natural resources.³ The need to uphold international stability and protect access to overseas interests factors heavily into any deliberation by Chinese leaders regarding the use of force in a contingency.

At the same time, China’s leaders also appear to regard unification with Taiwan and control of disputed land and maritime territory as part of the China Dream. Chinese leaders have voiced, for example, a declining willingness to compromise on any sovereignty or territorial issue. In 2013, Xinhua reported that Xi Jinping directed “no compromise” on territorial and sovereignty issues, while affirming that China sought to resolve disagreements peacefully.⁴ The 2015 military strategy white paper similarly affirmed that the People’s Liberation Army (PLA) will

¹ For a more thorough discussion of sources, authoritativeness, and the role of relevant research organizations, see Timothy R. Heath, *China’s New Governing Party Paradigm: Political Renewal and the Pursuit of National Rejuvenation*, Farnham, UK: Ashgate, 2014.

² “Background: Connotations of the China Dream,” *China Daily*, March 5, 2014.

³ Mathieu Duchâtel, Oliver Bräuner, and Zhou Hang, “Protecting China’s Overseas Interests: The Slow Shift Away from Non-Interference,” SIPRI Policy Paper 41, June 2014.

⁴ “Xi Jinping Vows Peaceful Development While Not Waiving Legitimate Rights,” Xinhua, January 29, 2013.

“uphold bottom-line thinking,” a reference to the principle, announced by Xi, that China views control of its sovereignty and territorial interests as a non-negotiable “bottom-line.”⁵

The tension between the need for international stability and the desire to see broad, steady progress in securing the nation’s core interests is well captured in Xi’s directive to both “safeguard stability and safeguard rights” (*weiwen yu weiquan*), which appeared in the 2013 defense white paper.⁶ The directive, absent in previous white papers, elevated the priority of defending the country’s expanding rights and interests to a level co-equal with the old focus on upholding stability. This suggests China’s leadership may be willing to tolerate more risk for the sake of securing gains regarding the nation’s interests, but only to a point that does not endanger the international stability needed for economic growth.

Chinese analysts recognize that the changing security policy has increased the likelihood of tensions with the United States and with some of China’s neighbors. In a 2012 article, PLA General Zhang Qincheng anticipated that China’s situation would be “more difficult and arduous” in the second decade of the 21st century.⁷ The 2013 *Science of Military Strategy* acknowledged the growing possibility of “contradictions and conflicts” arising from China’s expanding interests.⁸ Official documents and military writings regard the maritime region as the arena that carries the highest potential for conflict. The military strategy white paper focused on dangers emanating from China’s maritime direction, namely the U.S. presence in Asia, as well as Taiwan, Japan, and unnamed countries in the South China Sea. Accordingly, the paper prioritized the development of a “modern maritime military force structure” capable of “safeguarding” China’s “national sovereignty and maritime rights and interests.”⁹ In 2013, Meng Xiangqing, deputy director of the Strategic Studies Institute of the National Defense University, observed that “the main threat in our peripheral security environment comes from the sea.”¹⁰

An Expanding Menu of Options for Employing Military Force

The shifting focus in security policy directed by Chinese leaders has elevated military power in importance. The 2015 military strategy white paper stated that Chinese leaders will place “greater emphasis on the employment of military power” to achieve national objectives. The link between national objectives and military power deserves special emphasis. According to military writings, the articulation of feasible political objectives stands as the starting point for military options in any contingency. Carefully crafted objectives that take into consideration the nation’s broader strategic imperatives provide a clear sense of the acceptable limits of escalation and the proper parameters for military action. In 2014, Liu Shenyang, deputy commander of the Jinan Military Region, explained this logic well, when he observed that in any contingency, China

⁵ “Full Text: Military Strategy White Paper,” *China Daily*, May 26, 2015.

⁶ “Full Text: The Diversified Employment of China’s Armed Forces,” Xinhua, July 31, 2013.

⁷ Zhang Qincheng, “Firmly Grasp the National Development Important Period of Strategic Opportunity,” *Seeking Truth*, December 3, 2012.

⁸ Peng Guangqian and Yao Youzhi, *Science of Military Strategy*, Beijing: Academy of Military Sciences Press, 2013, p. 104.

⁹ “Full Text: China’s Military Strategy,” 2015.

¹⁰ “PRC Military Expert: China’s Peripheral Security in ‘Fragile’ Period,” *Beijing Liaowang in Chinese*, September 23, 2013 No. 38, p 48–49

should set goals that “avoid aiming too high,” as this might result in a “politically passive position,” since “excessive military action” could result in “international isolation.” However, he also argued that China should also avoid “aiming too low,” or else China would “fail to make appropriate gains at the negotiation table.”¹¹

To provide decisionmakers the flexibility needed to meet a variety of political objectives, military thinkers have expanded the menu of potential military actions for any contingency. Several key trends can be detected. First, to reduce risk while maximizing potential gains, the focus has shifted to peacetime and crisis applications. Second, military thinkers have paid more attention to the issue of the controlled use of military force to achieve objectives, or “war control.” Third, military writings emphasize coordinating with nonmilitary power to advance political goals as a way to control risk. Many of these themes appeared in military writings in the early 2000s, but have gained prominence in recent years owing to gains in military modernization, a maturing of theoretical and academic work, and the political directives of Xi Jinping.¹²

Focus on peacetime and crisis. Since the early 2000s, military thinkers have placed more emphasis on peacetime shaping, war containment, and crisis management. Peacetime shaping includes an array of military nonwar missions to build good will and influence, such as military-to-military engagement, bilateral and multilateral exercises, and humanitarian assistance. Chinese writers define “war containment” as whole-of-government efforts to prevent a crisis from escalating to conflict. In a 2002 article, AMS researcher Yuan Zhengling stated that war containment includes “preventing and delaying the outbreak of war, and avoiding the escalation of war once it breaks out.” He explained that it includes the “comprehensive employment of military, political, economic, diplomatic, and other means,” and that the military’s role may include deterrence and intimidation activities.¹³ Interest in crisis management flourished in the early 2000s, especially in the wake of the 2001 collision between a Chinese fighter and a U.S. reconnaissance airplane near Hainan Island. The 2001 *Science of Military Science* defined crisis as a “state of danger in which there is a possibility of military conflict between nations” and recommended measures to de-escalate a situation and reduce the risk of conflict.¹⁴ More recent writings have shown a strand of opportunism well suited to the shifting focus of China’s security policy. The 2013 *Science of Military Strategy* stated, for example, that the military should seek to “guide circumstances to transform crisis into opportunity.” Crises, it argued, present both “risks and windows of opportunity to resolve contradictions and issues.”¹⁵

War control. Military writings emphasize the “controlled” use of force to achieve objectives, a concept epitomized in the idea of “war control” (*zhanzheng kongzhi*). War control is the employment of all elements of comprehensive national power to shape the international

¹¹ Liu Shenyang, “On War Control: Primarily from the Military Thought Perspective,” *China Military Science*, April 1, 2014, pp. 1–8.

¹² Timothy R. Heath, Kristen Gunness, and Cortez A. Cooper, *The PLA and China’s Rejuvenation: National Security and Military Strategies, Deterrence Concepts, and Combat Capabilities*, Santa Monica, Calif.: RAND Corporation, RR-1402-OSD, 2016.

¹³ Yuan Zhengling, “An Active Defense Strategy to Protect National Interests,” *National Defense*, December 24, 2002.

¹⁴ Peng Guangqian and Yao Youzhi, 2013, p. 205.

¹⁵ Peng Guangqian and Yao Youzhi, 2013, p. 115.

environment and manage conflict in a favorable direction if war does break out.¹⁶ In recent years, the meaning of war control has evolved to support the changing security policy. The 2013 *Science of Military Strategy* explained that China requires a transition in focus from “defense” to “control,” from “combat” to “momentum,” and from “combat victory” to “early victory.”¹⁷ Military thinkers highly prize capabilities provided by guided munitions, sensors, and information technologies to achieve more precise effects. Liu Shenyang regards “target-centric warfare” as the practice of war control in conflict. He explains that its goal is to “achieve operational objectives as quickly as possible,” “sabotage links and nodes,” and “paralyze the enemy’s entire command system.”¹⁸ Military thinkers also recommend methods to scale the use of military power to a level appropriate to political needs. In a 2014 article, the deputy commander of the Shenyang Military Region, Lieutenant General Wang Xixin, recommended a range of military options from military demonstrations, exercises, simulated bombings, and adjustments to deployments to the deployment of troops to “seize a disputed territory” or “establish military bases in a conflict area.”¹⁹

Coordination with nonmilitary power. To advance the goals of protecting the nation’s interests while upholding stability, military thinkers advocate closer coordination with non-military authorities. For example, the 2013 defense white paper advocated for closer collaboration between the military and law enforcement to defend maritime interests. The Chinese Coast Guard, created from disparate maritime agencies in 2014, has played a leading role in managing tensions in the maritime domain.²⁰ The increasing complexity of security, and of military-civilian coordination, has also raised demand for centralized security-related decision making. The creation of a National Security Commission in 2013 and the promulgation of a “National Security Law” in 2015 are measures consistent with this logic.²¹

In conclusion, China’s military thinkers have outlined a diversity of potential applications of military power to provide central authorities the flexibility needed to manage disputes. To minimize risk while maximizing potential gains, these thinkers have focused especially on potential peacetime and crisis applications, developing a menu of escalation options, and increasing the role of nonmilitary assets in defending the nation’s interests.

Threats in the Near, Medium, and Long Term

How do Chinese analysts regard the potential for conflict over the near, medium, and long term? Chinese sources provide greater clarity in assessing the near-term threat and varied and somewhat contradictory views regarding dangers over the medium to long term. In the near term, official documents suggest that the overall risk of conflict remains relatively low. According to

¹⁶ Lonnie Henley, “War Control and Escalation Management,” *Assessing the Threat: The Chinese Military and Taiwan’s Security*, by Michael Swaine, Andrew Yang, and Evan Medeiros, eds., Carnegie Endowment for International Peace: Washington, D.C., 2007, pp. 85–110.

¹⁷ *Science of Military Strategy*, 2013, p. 112.

¹⁸ Liu Shenyang, 2014, p. 6.

¹⁹ Wang Xixin, p. 65.

²⁰ Ryan Martinson, “The Militarization of China’s Coast Guard,” *The Diplomat*, November 21, 2014.

²¹ Zhao Kejin, “China’s National Security Commission,” Carnegie-Tsinghua Center for Global Policy, July 14, 2015.

the Asia security policies white paper, “Regional hotspot issues and disputes are basically under control.”²² The positive assessment likely reflects Chinese satisfaction with its peacetime approach. Even as the Chinese steadily increase administration of the disputed maritime regions, no country has shown a willingness to risk military conflict. And in the face of growing PLA advantage, Taiwan’s pro-independence leaders have accepted that they cannot declare independence.

Whether the flashpoints erupt over the medium to long term depends on a large number of variables. The Chinese sources reflect uncertainty with their contradictory assessments. On the one hand, some official documents, such as the 18th Party Congress report, assert that “peace and development remain the underlying trends of our times” and that the “balance of international forces” has “tipped in favor of world peace.”²³ On the other hand, the same report noted “growing factors of instability and uncertainty” and trends towards “hegemonism” and “power politics.” The Asia Security Policies white paper similarly acknowledged both the hopeful prospects for peace and the potential for longer-term problems, observing that “the Asia-Pacific region still faces multiple destabilizing and uncertain factors.”²⁴

Some clarity may perhaps be reached through a closer look at each dispute issue. Taiwan remains the most dangerous flash point, due to the clash between Beijing’s commitment and Taiwan’s growing disinterest in unification.²⁵ Reflecting Chinese frustration at the lack of progress, less-authoritative media has aired threats of attack in recent years, probably as a tactic of intimidation. A retired PLA lieutenant general declared in 2016 that “definitely there will be military conflicts before 2020. Before or after 2020, there will be a cross-strait war and China will get Taiwan in a massive conquest.”²⁶

In the South China Sea, Chinese sources indirectly assess a higher risk of some sort of military crisis arising from maritime disputes.²⁷ However, the overall risk of war over the longer term appears low. The difficulties in projecting military power over vast distances pose a major hurdle. Chinese scholars also highlight deepening economic integration and the generally lower level of enmity between Beijing and its southern neighbors—Vietnam, the Philippines, and Malaysia—as reasons why the risk of war with those countries will remain low.²⁸

Chinese commentators do not discount the possibility of conflict with Japan.²⁹ The two countries argue over ownership of the Senkaku Islands, but intensifying strategic competition, historic animosities, and their relative parity in national power raises the risk that some escalation in a major clash could prove difficult to control. Ominously, in a 2014 poll in China, a

²² “China’s Policies on Asia-Pacific Security Cooperation,” Xinhua, January 11, 2017.

²³ “Full Text of Hu Jintao’s Report at the 18th Party Congress,” Xinhua, November 17, 2012.

²⁴ “China’s Policies on Asia-Pacific Security Cooperation,” Xinhua, January 11, 2017.

²⁵ Chiu Yan-ling and Jonathan Chin, “Majority Reject Unification,” *Taipei Times*, March 31, 2016.

²⁶ “Wang Hongguang: War Will Break Out in the Taiwan Straits Before or After 2020,” *Global Times*, December 17, 2016.

²⁷ Zhao Zijin and Zhao Jingfang, “On the Control and Management of Military Crises,” *China Military Science*, July 2, 2013, pp. 62–71.

²⁸ Wu Jianmin, “We Should Remain Calm, Look at the Whole Situation, and Be Confident on the South China Sea Issue,” *Global Times*, April 8, 2016.

²⁹ “Former Chinese Commander Warns of War if Japan Shoots Down Drone,” Bloomberg, November 4, 2013.

majority regarded war with Japan as “inevitable.”³⁰ In Japan, 80 percent of respondents in a 2016 poll feared a military clash near the Senkakus.³¹

Chinese official media and commentary offer contradictory assessments about the future of U.S.–China relations. Diplomatic speeches and official policy documents unsurprisingly downplay the risk of war and project hopeful confidence about the bilateral relationship.³² However, a few commentators have hinted at the potential for conflict if Washington does not change some of its policies to accommodate Chinese demands. For example, in 2013, Admiral Sun Jianguo observed that “without struggle, it will become impossible for the United States to respect our core interests.” He warned that failure by the United States to accede to China’s framework for bilateral ties would increase the risk of “falling into the Thucydides trap”—a reference to the argument that a rising and a status quo power are destined to fight one another.³³

How China Might Manage Contingencies

These sources provide clues as to how China might manage disputes related to Taiwan and the East and South China Seas. First, one should expect China to seek incremental gains at the lowest cost, always balancing tactical gain against strategic risk. Too aggressive a military action could prove a pyrrhic victory that generates an anti-China coalition or that severely damages Chinese aspirations to lead the region. Second, one should expect China to prioritize peacetime shaping efforts. Third, Chinese leaders may be tempted to employ brinksmanship behavior in a military crisis in hopes of securing some favorable change in the status quo. Finally, should a crisis escalate to conflict, China can be expected to pursue a controlled, precise use of force to achieve limited political objectives while seeking de-escalation.

Taiwan

Peacetime. Chinese military modernization has complemented economic and political incentives to encourage cross-strait integration, although to date the combined effect has done little to reverse the decline in Taiwan’s support for unification. The PLA supports Beijing’s drive for unification in part through intimidation. In January 2017, the Liaoning aircraft carrier carried out exercises in the Taiwan Strait.³⁴ The PLA has also held highly publicized exercises designed to improve its ability to carry out amphibious combat operations against Taiwan.³⁵ China can be expected to continue to use military coercion as part of a broader effort to drive the two sides towards unification.

Crisis. A crisis could easily emerge if Beijing grows frustrated by declining prospects for peaceful unification. In a crisis, China could demand Taipei adopt at least symbolic gestures

³⁰ Christina Larson, “A Majority of Chinese Expect War with Japan is Inevitable,” *Bloomberg*, September 12, 2014.

³¹ Jesse Johnson, “80% of Japanese Fear Military Clash Near Senkakus, Poll Finds,” *Japan Times*, September 14, 2016.

³² “China, U.S. Agree to Work for Greater Development of Relations,” *Xinhua*, February 18, 2017.

³³ Sun Jianguo, “China is in Danger of Being Invaded; Using Struggle to Seek a Win-Win for China and the United States,” *Global Times*, March 2, 2015.

³⁴ Jon Sharman, “China Sends Aircraft Carrier ‘Liaoning’ Through Taiwan Strait, as Tensions Remain High,” *The Independent*, January 11, 2017.

³⁵ “Chinese Army to Hold Military Exercise,” *China Daily*, September 9, 2013.

towards unification. Media reports that claim Beijing may revise the Anti-Secession Law or enact a National Unification Law could provide legal pretext for such an ultimatum.³⁶ In a hypothetical scenario, Beijing could cite Taipei's intransigence in the face of demands as a violation meriting some sort of punishment. Beijing could then provoke a clash involving Taiwan military airplanes, ships, or other assets. Alternatively, the PLA could launch missiles near the island or carry out cyber attacks. Any of these actions could spur a serious military crisis, and the risk of escalation would grow if casualties mounted. The instigation of military crisis to coerce concessions carries risks, however. Such actions could embolden Taiwan and harden sentiment against unification. Worse, they could lead the U.S. to deploy military forces into the theater, potentially escalating the crisis into a high stakes standoff. If mishandled, Beijing could find itself in an unwanted war or be forced to back down in a humiliating manner.

Conflict. Large-scale war to compel unification remains a remote possibility. The most plausible pathway to war would be one in which Chinese brinkmanship backfired and the leadership found itself in a spiral of escalation. The trigger could be any of the conditions listed in the National Anti-Secession Law, or future legislation if passed. Three major options present themselves: a conventional missile attack, a joint blockade, or an invasion. A conventional missile attack campaign would consist principally of salvos of ballistic and air-launched missiles against military targets with minimal warning.³⁷ These could inflict great havoc, but missile attacks alone are unlikely to compel Taiwan's capitulation. On the contrary, mounting military and civilian casualties from missile bombardment would probably strengthen Taiwan's resolve. A "joint blockade campaign" could aim to sever Taiwan's economic and military connections with the world through a combination of firepower strikes and the deployment of intercepting naval vessels.³⁸ But a joint blockade similarly lacks a clear mechanism to compel Taiwan's capitulation. The effect would probably once again be a hardening of Taiwan sentiment against China. Worse, the open-ended timeline provides U.S. forces ample opportunity to marshal forces and attack the blockading naval platforms. An invasion of Taiwan provides the only sure way to replace the leadership with a more compliant authority and ensure unification.³⁹ Despite gains in PLA capability, an opposed amphibious invasion remains a high-risk operation, especially given the PLA's limited amphibious assault capability and lack of experience. Moreover, a large-scale amphibious invasion would require considerable mobilization, offering ample warning to the United States and Taiwan.⁴⁰ The demanding requirements and the risk of major war with the United States make this course of action among the riskiest available to China.

South China Sea

Peacetime. The PLA has worked with civilian authorities to strengthen the country's administration of its maritime regions. The military coordinates closely with the Chinese Coast Guard to patrol and protect occupied features, while national leaders incentivize regional

³⁶ Jake Chung, "China Mulling More Conditions for Invasion: Report," *Taipei Times*, February 9, 2017.

³⁷ Yu Jixun, ed., *The Science of Second Artillery Campaigns*, Beijing: PLA Press, 2004.

³⁸ Zhang Yuliang, ed., *The Science of Campaigns*, Beijing: National Defense University Press, 2006, p. 292.

³⁹ Bi Xinglin, ed., *Campaign Theory Study Guide*, Beijing: National Defense University Press, 2002, pp. 225–226.

⁴⁰ Office of the Secretary of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016," April 26, 2016.

accommodation through diplomatic pressure and economic initiatives like the “Maritime Silk Road.”

Crisis. Festering and overlapping disputes make the South China Sea ripe for crisis. In the 2012 standoff over Scarborough Reef with the Philippines and the 2014 standoff over the oil rig Haiyang 981 with Vietnam, China demonstrated a growing tolerance for brinksmanship. In the latter incident, the PLA coordinated with fishing vessels; coast guard ships; and political, media, and diplomatic pressure to strong-arm Vietnamese vessels as China deployed the oil rig in its neighbor’s exclusive economic zone. A Philippine or Vietnamese misstep in a similar crisis involving disputed reefs, fishing grounds, or drilling for resources, could provide the PLA the pretext needed to act aggressively. In such a crisis, China would probably seek some favorable change in the status quo or demonstration of Chinese superiority before seeking to deescalate. Although neither side would necessarily have the motivation to escalate the conflict, the risk of miscalculation remains high.

Conflict. Although crisis is possible, major conflict remains unlikely in the South China Sea. The most plausible path to war would be an escalation from the type of militarized crisis mentioned above. If China decided to exploit a crisis to seize a Vietnamese occupied feature, for example, Vietnam could retaliate by targeting the Chinese forces. Any Chinese troops on an occupied feature in the Spratlys or Paracels would be extremely vulnerable. China could escalate with forces stationed on the features, but these are limited in number and relatively vulnerable.⁴¹ If China suffered setbacks in the South China Sea, it might involve air and naval forces from the mainland or consider actions on the border with Vietnam. Beijing would probably respond with greater caution to any incident involving Philippine forces, however, due to Manila’s alliance with Washington.

East China Sea

As in the South China Sea, China has found the peacetime strategy of incremental administration effective. The PLA Navy can be expected to continue coordinating with the Chinese Coast Guard to administer the disputed waters near the Senkakus and deter their Japanese counterparts. In addition, the PLA announced an Air Defense Identification Zone in the East China Sea in 2013 to justify an increase in military aviation patrols over the islands.⁴²

Crisis. The risk of crisis near the Senkakus ebbs and flows as tensions rise and relax between Beijing and Tokyo. The intensifying rivalry between the two Asian giants raises the risk that any incident near the Senkakus could rapidly escalate. The precipitating incident could involve a collision of fishing or maritime law enforcement vessels. An accident involving military platforms, such as aircraft, cannot be ruled out either. Because of the relative parity of conventional military power, escalation would be tempting for both sides seeking an advantage in any subsequent crisis. The most likely outcome would be stalemate, a deepening of frustration

⁴¹ Timothy R. Heath, “China’s Military Modernization and the South China Sea,” in Murray Hiebert, Gregory B. Poling, and Colin Cronin, eds., *In the Wake of Arbitration: Papers from the Sixth Annual CSIS South China Sea Conference*, January 2017, p. 80.

⁴² Michael Pilger, “ADIZ Update: Enforcement in the East China Sea, Prospects for the South China Sea, and Implications for the United States,” testimony to the U.S.-China Economic and Security Review Commission, March 2, 2016.

and hostility, and an increasing militarization of the problem. This would raise the likelihood of a reinforcing spiral of intensifying hostility, crisis, and potential conflict. The largest risk for China would be one of misjudgment. Nations seeking to exploit military crises have historically frequently miscalculated, resulting in a war that they did not actually want.⁴³

Conflict. Because of the political opprobrium of aggression and the risk of U.S. involvement, an unprovoked Chinese assault on Japanese forces or seizure of the Senkakus would offer little benefit and carry extremely high risks. A more plausible scenario would be an escalation or continuation of hostilities from the type of crisis outlined previously. A spiral of intensifying and protracted crises with little resolution and a deepening of suspicion and hostility would provide a powerful incentive for China to attempt a larger-scale military operation to assert its dominance and humble its foe. A military operation with limited objectives that could be achieved in a short amount of time and appeared largely punitive could demonstrate Chinese prowess, rally public support, and provide the satisfaction of humiliating Japan. Examples might be missile strikes against Japanese naval combatants or fighter aircraft near the Senkakus. This course of action would carry high risks, however. An attack on Japanese military platforms would trigger U.S. involvement, and China could not be sure of its ability to control subsequent events. In the event Japan sought to escalate the conflict, or if the United States decided to support Japanese retaliation, Chinese leaders could find themselves forced to either head down the path to regional war or accept a humiliating retreat.

United States

Chinese leaders and experts recognize that war with the United States would be catastrophic due to potential economic devastation, high attrition from major conventional war, and possible nuclear exchanges. To head off the possibility, officials have proposed a diplomatic framework that they call “new model major country relations,” premised on greater U.S. accommodation to Chinese demands. The PLA has played a role in the peacetime approach to reducing the overall risk of war with the United States through military-to-military engagements, agreements, and cooperation on select issues. The PLA also seeks to deter U.S. intervention by building its military strength through the expansion of conventional and strategic capabilities.

Crisis. The greatest danger of crisis lies in the possibility of a U.S.–China confrontation stemming from a dispute involving a U.S. ally or partner. Of all the potential dispute areas, perhaps the South China Sea is the most likely candidate for military crisis involving U.S. and Chinese forces. China’s success in outmuscling the Philippines and Vietnam to consolidate control of the South China Sea has left the region dependent on U.S. power to contest Chinese control of those vital waters. Beijing may be tempted to consider brinksmanship if it concludes that Washington’s commitment to the region has weakened and its national power declined. In such a situation, a violent crisis resulting in casualties could alarm Washington to the point that decisionmakers question the relative worth of military operations to the risk of war. However, brinksmanship always carries a significant risk of miscalculation, and China could misplay its hand with disastrous results in such a situation as well.

⁴³ Richard Lebow, *Between War and Peace: The Nature of International Crisis*, John Hopkins University Press, Baltimore, Md.: 1984.

Conflict. War between China and the United States remains improbable for now. The most plausible pathway to conflict would consist of an escalation of tensions following a series of militarized crises involving any or all of the flashpoints mentioned above. The cumulative effect could drive decisionmakers in both capitals to conclude that the hazards of war could determine the premier power in Asia. Escalation in a war for supremacy would prove extremely difficult to control.

Escalation and U.S. forces. In a clash involving Chinese and U.S. forces, Beijing would be unlikely to seek an escalation to major war due to the catastrophic effects major war would have on the nation's economy and political stability. At the same time, China is positioning itself to prevail in a clash involving U.S. forces. To succeed in a clash and avoid escalation into nuclear war, China would likely rely on two principles. First, it would rely on the value of its own conventional and nuclear powers to deter the United States' ability to retaliate with such weapons.⁴⁴ Second, Beijing would try to avoid providing Washington the incentive to consider such escalation by setting political objectives far below a level that might merit nuclear attack. For example, China could be satisfied with the mere demonstration of its willingness and ability to fight U.S. military forces at a small scale in any flashpoint and thus opt to seek de-escalation even if its forces lost. It could also limit the geographic area of combat to a desolate reef, thereby putting the onus on the United States to justify why such a small-scale clash merited escalation. In any case, the precedent broken by such a fight between Chinese and U.S. military forces would be ominous. Both sides would likely respond by enacting hostile policies, mobilizing popular opinion, and increasing arms build-ups and alliance-building activities in anticipation of subsequent conflict. Having drawn blood, China could be emboldened to risk another fight. Research on past wars offers little ground for optimism in such a situation. Scholars have established that the risk of major war increases dramatically following a series of militarized crises.⁴⁵

Conclusion

China's calculus regarding the use of force may be evolving, owing to its growing national power, the political imperative to demonstrate its strength, and improvements to military preparedness. However, the need for international stability and access to vital overseas interests continues to weigh heavily on any consideration regarding the use of force. Although Chinese leaders can be expected to generally behave cautiously in a contingency, Beijing may be tempted to risk brinkmanship behavior in a crisis to change the status quo in its favor. In the medium to longer term, China may be willing to risk a limited conflict to demonstrate its dominance or secure gains, while seeking to avoid escalation. Militarized crises of any type open opportunities for misjudgment, however, and the risks will only grow should China breach the perilous threshold of engaging in hostile fire with any of its antagonists.

⁴⁴ Eric Heginbotham, Michael S. Chase, Jacob L. Heim, Bonny Lin, Mark R. Cozad, Lyle J. Morris, Christopher P. Twomey, Forrest E. Morgan, Michael Nixon, Cristina L. Garafola, Samuel K. Berkowitz, "China's Evolving Nuclear Calculus," Santa Monica, Calif: RAND Corporation, RR-1628-AF, 2017.

⁴⁵ Brandon Prins, "Interstate Rivalry and the Recurrence of Crises: A Comparison of Rival and Nonrival Crisis Behavior, 1918–1994," *Armed Forces and Society*, April 1, 2005. See also William Thompson and Michael Colaresi, "Hot Spots or Hot Hands? Serial Crisis Behavior, Escalating Risks, and Rivalry," *Journal of Politics*, Vol. 64, No. 4, November 2002, pp. 1175–1198.

**OPENING STATEMENT OF MARK R. COZAD
SENIOR INTERNATIONAL DEFENSE RESEARCH ANALYST, RAND
CORPORATION**

MR. COZAD: Good morning, and thank you, Vice Chairman Shea, Senator Goodwin, members of the Commission and staff.

It is an honor to testify before this Commission on how the PLA performs contingency planning for hotspots. In my testimony, I will examine how PLA planners at the national level deal with strategic objectives for potential contingencies, how those objectives are communicated to theater commands, how contingency plans are formulated at the national and theater level, and how planning mechanisms are constructed for dealing with potential resource constraints across theaters.

Recent PLA reorganization, planning, and reform efforts are driven by a renewed sense of urgency and senior-level interest in ensuring the PLA is ready to respond to a wide range of potential crises involving unpredictable situations and unfamiliar environments.

These emerging security challenges are forcing the PLA to adapt how it plans for future contingencies, deploy its forces, and fights.

The PLA's recent reorganization is aimed at ensuring a more agile, operationally oriented force capable of dealing with these new requirements. It is intended to strip away legacy structures, reemphasize core missions and build capacity in critical domains.

New organizational entities, such as the theater commands, have taken on multiple territorial defense missions, as well as responsibilities for protecting China's maritime claims. In recent years, PLA joint exercises have emphasized long-range mobility and preparing forces to operate in these new settings.

The primary strategic and operational considerations that drive PLA planning also have changed, reflecting the realities of a more complicated international security environment.

The PRC's strategic focus for much of its history has been on land-based threats. Over the past two decades, PRC leaders have recognized that the nation's interests are migrating increasingly toward China's southeast littoral and maritime domains.

President Xi Jinping's concern about the PLA's readiness to confront challenges across all domains underpins is recent directives for the PLA to prepare for military struggle. These preparations are founded on the recognition that the PLA must improve its flexibility and preparedness to respond to a wide range of potential scenarios that are increasingly likely to involve modern militaries.

China's most recent military strategy details the need to improve the PLA's joint operations and its system-of-systems operations--two core elements needed to fight and win informatized local wars in the future.

Further, these operational imperatives require the PLA to improve its ability to integrate advanced capabilities in all domains and tailor them to the specific characteristics of a given crisis or conflict.

One of the most critical elements in meeting these challenges is centered on improving the PLA's planning processes and command automation systems. Several PLA exercises supporting Xi's directive to prepare for military struggle have emphasized operational planning, particularly at the theater level.

In addition, key exercises have also tested new command automation systems, including the integrated command platform, or ICP, a system designed to provide commanders and staffs

with up-to-date intelligence, targeting, and command and control information, as well as simulation and automated decision-making aids to support theater planning and command functions.

The PLA's recent efforts to train its staffs at all levels for joint planning and command reflect a sense of urgency in addressing a long-standing problem with simultaneously implementing long-overdue changes directed by the PLA's reorganization.

The PLA's military reforms and reorganization are intended to build a military that is more responsive to what China's senior leaders see as an increasingly uncertain environment. These senior leaders believe it is no longer possible to focus contingency planning on one primary objective without doing adequate preparation for other more likely, though less prominent, situations that could present crises.

Although the PLA's main strategic direction remains focused on Taiwan, several PLA publications have highlighted the need to ensure adequate planning and resourcing for contingencies in secondary strategic directions.

Accordingly, over the past few years, military reform and training activities have emphasized improving the PLA's readiness to respond to this wider set of possible contingencies.

The development of theater commands capable of planning and executing missions in their respective areas of responsibility will be a key factor in the PLA's failure or success in achieving these objectives.

Similarly, the attempt to build a joint strategic command structure under the Central Military Commission suggests that PRC leaders recognize the importance of integrating operational and support activities across multiple theaters in future conflicts.

To meet these emerging challenges, the PLA must adequately train and prepare its commanders, planners and staffs for the complexities of joint command in this new environment. At this early point in the reorganization, the PLA is still grappling with this problem.

Make no mistake: the PLA has made significant progress in several key modernization areas over the past two decades. Many of the new systems the PLA is bringing into its inventory are world-class and incorporate the latest technologies.

The proportion of the PLA that is considered modern by Western standards is increasing steadily and has been for several years. However, one of the most significant challenges for the PLA has been its ability to integrate these capabilities into the type of systems-of-systems architecture it judges necessary for future conflicts.

The PLA recognizes that solutions to these problems go beyond organizational structure, information technology, and networking. Ultimately, they require well-trained, innovative, and flexible commanders and staffs at the national and theater levels.

In conclusion, PLA training to improve its joint operations and planning functions is well underway but the results remain questionable. It is uncertain at this point how effective the PLA will be in future crises at integrating information, activities, and capabilities across multiple theaters and among the PLA's services and branches.

This uncertainty is more pronounced when considering major crises. The PLA's reorganization, though certainly necessary, raises questions about its ability to perform these functions in a range of scenarios. Shortcomings in planning and integration not only present increased political risks and potential military weaknesses in conflict but also may create unstable situations in crises.

If the PLA has difficulty managing resources, activities, and information within its own organization, it will be more difficult for Chinese leaders to gain needed information and take

courses of action to de-escalate in a crisis. This could prove a devastating shortfall in many of the potential crisis areas or conflict scenarios that the PRC leaders believe they may face in the future.

This concludes my statement, and I look forward to your questions.

**PREPARED STATEMENT OF MARK R. COZAD
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Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

China's rise brings with it numerous strategic imperatives and concerns. These include expanded economic engagement in diverse regions, growing political influence and responsibilities, and new challenges to territorial claims.¹ China's leaders have directed the military to prepare itself to secure and protect these interests. People's Liberation Army (PLA) modernization and planning efforts thus are driven by a renewed sense of urgency and senior-level interest. These imperatives also are compelling the PLA to develop capabilities directed toward new missions to deal with unpredictable situations and unfamiliar environments.² PRC leaders have growing concerns about challenges to China's maritime claims in the South China Sea and East China Sea. On the Korean peninsula, uncertainty and the potential for instability loom. Potential crises around China's vast periphery present PRC leaders and planners with the possibility of unexpected and dangerous situations. These emerging security challenges are forcing the PLA to adapt how it plans for future contingencies, deploys its forces, and fights.³ This testimony is based primarily on several types of Chinese military sources, including official press reports, articles from PLA military science journals, teaching materials, and military science research publications. It seeks to address how PLA planners at the national level deal with strategic objectives for potential contingencies, how those objectives are communicated to theater commands, how contingency plans are formulated at the national and theater level, and how planning mechanisms are constructed for dealing with potential resource constraints between theater commands.

The need to effectively deal with these situations serves as the backdrop for the PLA's recent reorganization. The reorganization is aimed at ensuring a more agile, operationally oriented force. It is attempting to accomplish this by stripping away legacy structures and missions, reemphasizing core mission areas, and building capacity in critical domains. New organizational entities, particularly the theater commands, are oriented toward multiple territorial defense missions, as well as toward responsibilities for protecting the PRC's maritime claims. In recent years, PLA joint exercises have emphasized long-range mobility and preparing forces to operate in new settings.⁴ PRC leaders intend for these organizational and operational reforms to enable

¹ Information Office of the State Council, *China's Military Strategy*, reprinted by Xinhua, May 26, 2015.

² Information Office of the State Council, 2015.

³ Information Office of the State Council, 2015.

⁴ Mark R. Cozad, *PLA Joint Training and Implications for Future Expeditionary Capabilities*, Santa Monica, Calif.: RAND Corporation, CT-451, 2016.

the PLA to “effectively control major crises, properly handle possible chain reactions, and firmly safeguard the country’s territorial sovereignty, integrity and security.”⁵

The primary strategic and operational considerations that drive PLA planning also have changed, reflecting the realities of a more complicated international security environment. The PRC’s strategic focus for much of its history has been on land-based threats. Over the past two decades, PRC leaders have recognized that the nation’s interests are migrating increasingly toward China’s southeast littoral and maritime domains. President Xi Jinping’s concern about the PLA’s readiness to mitigate and confront challenges in all domains underpins his recent directives for the PLA to prepare for military struggle.⁶ These preparations are founded on the recognition that the PLA must improve its flexibility and preparedness to respond to a wide range of potential scenarios. China’s most recent military strategy details the need to improve the PLA’s joint operations and its ability to conduct system-of-systems operations—two core elements needed to fight and win informatized local wars in the future.⁷ Further, these operational imperatives require the PLA to improve its ability to integrate advanced capabilities in all domains and tailor them to the specific characteristics of a given crisis or conflict.⁸

One of the most critical elements in meeting these new challenges is centered on improving the PLA’s planning processes and command automation systems. Several PLA exercises supporting Xi’s directive to prepare for military struggle have emphasized operational planning, particularly at the theater level.⁹ In addition, key exercises have also tested new command automation systems, including the integrated command platform (ICP), a system designed to provide commanders and staffs with up-to-date intelligence, targeting, and command and control information, along with simulations and automated decision making aids to support

⁵ Information Office of the State Council, 2015.

⁶ The PLA defines military struggle as “using mainly military means to engage in combat with countries or political groups for certain political, economic or other goals. The highest form is war,” and defines “preparing for military struggle” as “engaging in preparations for fulfilling the requirements of military struggle. The core is preparations for war.” One analyst said that “preparing for military struggle” is “similar to the concept of operational readiness.” See M. Taylor Fravel, “No, Hu Didn’t Call for War,” *The Diplomat*, December 10, 2011; *PLA Military Terms* [军语], Military Science Publishing House, December 2011, p. 5.

⁷ The PLA defines *informatization* as the reliance on information networks to integrate and systematize operations designed to obtain information superiority. The “system-of-systems” concept is based on ensuring joint capability by building critical links in command automation, intelligence-surveillance-reconnaissance (ISR), precision strike, and rapid mobility—which the PLA believes is the backbone of modern warfare. For a discussion of the relationship between these two concepts and PLA operational concepts, see Mark R. Cozad and Astrid Stuth Cevallos, “Trends in PLA Air Force Joint Training: Assessing Progress in Integrated Joint Operations” in Edmund J. Burke, Astrid Stuth Cevallos, Mark R. Cozad, and Timothy R. Heath, *Assessing the Training and Operational Proficiency of China’s Aerospace Forces: Selections from the Inaugural Conference of the China Aerospace Studies Institute (CASI)*, Santa Monica, California, RAND Corporation, CF-340-AF, 2016.

⁸ Information Office of the State Council, 2015. Although this is the first document labeled and published as a military strategy, it follows a biannual series of Defense White Papers that have outlined China’s threats, its military structure, and the military’s role in supporting these national security objectives. For analysis on the report, see M. Taylor Fravel, “China’s New Military Strategy: ‘Winning Informatized Local Wars,’” *China Brief*, Vol. 15, No. 13, Jamestown Foundation, July 2, 2015.

⁹ See Cozad, 2016. Joint command and planning was a core content issue in exercises held under the Stride, Mission Action, and Joint Action exercise series conducted during the end of the 11th Five Year Plan (2006–2010) and the 12th Five Year Plan (2011–2015).

commanders' planning and command functions.¹⁰ The PLA's recent efforts to train its staffs for joint planning and command reflect a sense of urgency in addressing a long-standing problem while simultaneously implementing necessary changes that led to the PLA's new organizational structure.¹¹ The PLA's ability to meet these challenges will have a direct effect on the PRC's success in preparing for and responding to the potential crises it may confront in the future.

Managing National-Level Objectives

The national-level objectives that drive contingency planning are found largely in two primary sources: the Military Strategic Guidelines (MSG) and the National Military Strategy (NMS). Both documents contain information outlining the PLA's military modernization objectives, its primary strategic concerns, and core missions for the PLA and each of its services and branches. In addition, the PLA produces a large body of military science material that supports the development of these key documents and informs PLA leaders on progress in areas of concept development, strategic and operational thought, and a variety of other fields essential to modern warfare.¹²

The MSG sets the PLA's operational planning parameters and provides overarching guidance on a wide range of issues that dictate the future missions, force structure, and operational scenarios for which the PLA must plan.¹³ Its comprehensive guidance defines the PLA's strategic objectives, strategic military tasks, main strategic direction, and other imperatives that give focus to operational planning and development timelines.¹⁴ Four areas within the MSG have particular importance for PLA operational planning: the strategic objective, the main strategic direction, strategic deployment, and the patterns of strategic action. In essence, the MSG tells the PLA what it is fighting for, what it is attempting to achieve, where its efforts will be directed, and the type of conflict for which it must prepare.

¹⁰ Wang Yinfang, "Gain Combat Strength Through the Build-Up of Command Capability," *Jiefangjun Bao*, April 7, 2016, p. 7.

¹¹ For a more detailed assessment of weaknesses in the PLA's modernization efforts, see Michael S. Chase, Jeffrey Engstrom, Tai Ming Cheung, Kristen Gunness, Scott Warren Harold, Susan Puska, and Samuel K. Berkowitz, *China's Incomplete Military Transformation: Assessing the Weaknesses of the People's Liberation Army (PLA)*, Santa Monica, Calif.: RAND Corporation, RR-893-USCC, 2015.

¹² There are several key documents that the PLA produced in recent years that fall into this category. For examples, see Shou Xiaosong [寿晓松], ed., *The Science of Military Strategy* [战略学], Beijing: Military Science Press [军事科学出版社], 2013; Peng Guangqian and Yao Youzhi, eds., *The Science of Military Strategy*, Beijing: Military Science Publishing House, 2005; Zhang Yuliang [张玉良], ed., *The Science of Campaigns* [战役学], Beijing: National Defense University Press [国防大学出版社], 2006; and Wang Houqing and Zhang Xingye [王厚卿, 张兴业], eds., *The Science of Campaigns* [战役学], Beijing: National Defense University Press [国防大学出版社], 2000. These are considered authoritative works that, over time, have informed researchers' understanding of PLA processes for developing military strategy and plans. In addition, Chunguang and Guojun discussed several Academy of Military Science (AMS) successes, including its role informing the development of the MSG: Yu Chunguang and Bao Guojun, "Academy of Military Science Provides Solid Theoretical Support for Defense and Army Building," *Jiefangjun Bao*, March 21, 2008.

¹³ Guangqian and Youzhi, 2005, p. 167.

¹⁴ Guangqian and Youzhi, 2005, p. 167.

The PLA's specific operational planning efforts rest on the MSG's determination of the main strategic direction, which is the key to realizing strategic objectives and accomplishing strategic tasks.¹⁵ The main strategic direction is determined by the direction and severity of primary threats and is based on the nature and priority of competing interests, the relative strengths of forces, geography, and the overall strategic situation in the region. The delineation between the primary and secondary strategic directions is largely based on the weighting of one threat against others in their respective directions. Historically, changes in the main strategic direction have occurred infrequently and were based on major changes in the international security environment.¹⁶ At this time, Taiwan remains the main strategic direction driving PLA planning and individual service missions; however, the 2015 NMS calls for the PLA to prepare itself better to respond to crises in multiple domains and geographic regions.¹⁷ Based on this guidance, PLA planning across theaters and within the Central Military Commission (CMC) now must address a wide range of potential threats and scenarios that may arise in secondary strategic directions. As a concept that applies to both the strategic and campaign levels of warfare, the designation of primary and secondary strategic directions is the crucial link between national objectives and warfighting.¹⁸

The need to ensure readiness for multiple simultaneous threats requires coordinated planning and deconfliction of resources and efforts among a dispersed set of geographic boundaries. The PLA's military reforms in early 2016, particularly the establishment of theater commands, were meant to remove old administrative layers (e.g., military regions) and provide a command structure capable of managing crisis situations or military conflict.¹⁹ Understanding which strategic directions present the most significant concerns provides critical information about the focus of PLA operational planning efforts. In light of a more volatile security situation and Xi's guidance to prepare for military struggle, PLA planners at both the strategic and theater levels now are planning and preparing for potential conflicts in secondary directions.²⁰ Notably, recent PLA military science publications have pointed out that during the PRC's history, China has faced conflicts in its secondary strategic directions far more often than it has in the main direction.²¹

¹⁵ Guangqian and Youzhi, 2005, p. 168.

¹⁶ Fravel, 2015; David Finkelstein, "China's National Military Strategy: An Overview of the 'Military Strategic Guidelines,'" in Roy Kamphausen and Andrew Scobell, eds., *Right-Sizing the People's Liberation Army: Exploring the Contours of China's Military*, Carlisle, Pa.: Institute for Strategic Studies, May 2007, p. 91.

¹⁷ Xiaosong [寿晓松], 2013, pp. 198, 209, 221; Information Office of the State Council, 2015, pp. 5–6.

¹⁸ Finkelstein, 2007, p. 91. For additional analysis on the MSG please see Fravel, 2015.

¹⁹ For details regarding the PLA's reorganization please see Ken Allen, Dennis Blasko, and John F. Corbett, "The PLA's New Organizational Structure: What Is Known, Unknown and Speculation (Part 1)," *China Brief*, Vol. 16, No. 3, Jamestown Foundation, February 4, 2016.

²⁰ Ouyang Wei, *On Strategic Disposition*, Beijing: PLA Press, 2010, p. 263.

²¹ Xiaosong, 2013, p. 102.

Communicating Objectives

Once national-level objectives that guide PLA contingency planning are set, they are delivered to the respective theaters via two methods. The first is through dissemination of strategic guidelines and official policy statements. Documents such as the MSG and NMS—along with official statements, speeches, and other publications resulting from party and military meetings, such as All-Army conferences—provide various levels of detailed direction that guide PLA planning, deployment, and modernization. As discussed earlier, the MSG is the most authoritative and enduring of these policy statements. Other guidelines and regulations are developed based on the MSG's content and direct specifics for particular PLA areas of concern. At the strategic level, modernization requirements established by the MSG shape the PLA's Equipment Development Strategy, a plan that guides military research, development, and acquisition in ten-year increments.²² Recent examples of operationally oriented guidance include the 2014 CMC document entitled *Opinions on Raising the Level of the Realistic Battle Orientation of Training* and the General Staff Department's (GSD's) *Opinions on Strengthening and Improving Campaign and Tactical Training*, issued in 2015.²³ Both documents are closely tied to directives calling for preparations for military struggle, a concept discussed at length in China's 2015 NMS. Finally, other guidance stems from dedicated plans focused on developing core capabilities and operational concepts. For example, the PLA initiated its program to develop joint operations concepts in 2001 with the *Five-Year Plan on Headquarters' Informatization Building, 2001–2005*.²⁴ This program served as the bedrock for later PLA joint planning and command automation development.

Command automation is a critical element for ensuring that national-level objectives are communicated to commanders and units in the various PLA theater commands and services. The integrated command platform serves as the common element in ensuring that objectives, intelligence, and situational assessments are delivered to commanders and their staffs on a timely basis.²⁵ These systems ensure that strategic objectives are passed to units to ensure deconfliction of resources and efforts. Systems such as the “Theater Joint Command Post Campaign Planning Simulation and Aid to Decision Making System” provide commanders and their staffs with the capability to generate plans for different courses of action developed through simulations that fuse various information sources—including intelligence, terrain and weather data, and situational awareness tools.²⁶ These systems are core elements in how the PLA ensures that its

²² Gong Chuanxin, ed., *Lectures on the Science of Military Equipment*, Beijing: PLA Press, 2004, p. 73; Jiao Qiuguang, *Science of Military Equipment Management*, Beijing: Military Science Publishing House, 2004, p. 34.

²³ Xu Tongxuan, “Where Does Training Go From Here? Viewing Realistic Battle Training During Informatized Transformation From the Perspective of Air Force Defense Penetration and Assault Competitive Assessments,” *Kongjun Bao*, July 16, 2015, p. 3.

²⁴ “Push Forward Revolution in Military Affairs with Chinese Characteristics, Build Informatized Command Organs—Excerpts of Advanced Typical Experiences from the All-Army Conference on Headquarters Building,” *Jeifangjun Bao*, September 28, 2004, p. 3.

²⁵ Yinfang, 2016.

²⁶ Mei Shixiong, Zhang Kunping, and Zhao Guotao, “For Navigation in Joint Operations: Profile of Chief Engineer Wen Lixin of

Theater Commanders have access to critical tactical and operational information and strategic-level guidance. Training to improve ICP functions and operator proficiency has been under way for several years. For example, the former Chengdu and Shenyang Military Regions conducted operational experiments to develop ICP functionality and use in 2011 and 2012, respectively.²⁷

National and Theater Planning Process

Organizationally, the CMC is responsible for ensuring that national objectives are factored into strategic planning and management across the PLA. Within the CMC, the Joint Staff Department is charged with three main functions: (1) operations planning, (2) command and control, and (3) operations command support.²⁸ Theater commands are tasked with developing theater-specific plans to deal with threats within their directional focus. Based on official press reporting, it appears that planning responsibilities have been delegated down to the theaters in a way they never were to the military region-level under the PLA's previous organizational construct. In particular, the CMC Joint Operations Department has been overseeing a program across the theaters to ensure that staff officers and planners are qualified to fulfill their designated roles.²⁹

The planning process at the strategic level begins with the definition of strategic objectives and associated key missions. Strategic plans are, in part, composed of the strategic assessment, strategic missions, strategic deployments, strategic support measures, and strategic rear area work.³⁰ Assigned strategic missions are prioritized and distinguished by phase and geographic necessity. The main and secondary strategic directions are then selected based on national objectives and the designation of strategic missions. Planning in the main strategic direction will

a Mapping and Navigation Team of the Central Theater," *Xinhua*, January 4, 2017. The official Chinese press uses a number of different names for the systems and subsystems that compose the ICP. The system referenced here is one component of the ICP.

²⁷ Zhao Hongwu, Guo Xinsong, Kong Lingmei, Zhanqi Bao, and Liang Hongqing, "Quickening the Pace of System-of-Systems Operations—A Factual Account of the Military Region Headquarters' Command Automation Work Station Providing Support for Integrated Command Platform," *Zhanqi Bao*, December 15, 2011; Chen Wanli, Fan Xin, and Rong Lin, "Information Highly Integrated, Situation Promptly Shared: Prominent Effect of Exercise With Integrated Command Information Systems Network of Various Services and Arms in Theater," *Qianjin Bao*, August 3, 2012.

²⁸ Zhang Zebin, Liang Pengfei, and Zhang Zexing, "Focus on One's Main Job for Winning," *Jiefangjun Bao*, November 26, 2016.

²⁹ Zebin, Pengfei, and Zexing, 2016. Certification training for the Eastern Theater is also described in Cheng Yongliang, "Certification Required to Command Joint Operations," *Zhongguo Qingnian Bao*, February 23, 2017. For the Southern Theater, see Huang Honggui and Meng Bin, "One Network Tests Everybody as the Southern Theater's First Batch of Joint Operations Duty Personnel Is Tested Before Going on the Job," *Jiefangjun Bao Online*, March 30, 2016; for the Central Theater, see Mei Shixiong and Zhao Guotao, "PLA Central Theater Command Starts Its Work by Energetically Enhancing Joint Operations Command Capability," *Xinhua*, April 1, 2016; for the Northern Theater, see Du Shanguo, Wang Jun, and Wang Qinghou, "Let Combat Readiness Be the Sole Status—The Northern Theater Command Focuses on Its Duty and Mission of Taking Charge of Military Operations, Strives to Advance the Building of Joint Operations Command Capability," *Jiefangjun Bao*, June 16, 2016.; and for the Western Theater, see Long Shaohua and Yang Xiaobo, "PLA Western Theater Command Organizes 'Three Improvements' Concentrated Training for Enhancing the Joint Command Capability of the Command and Staff Organ, Gathering Hundreds of Generals and Colonels to Make up for Insufficiency Through Precise and Fine Training," *Jiefangjun Bao*, April 7, 2016.

³⁰ Guangqian and Youzhi, 2005, pp. 171–174.

be driven by the nature of the threat, strategic disposition, and geographic considerations.³¹ Similarly, determinations on strategic phasing and deployment will dictate the forces available for strategic actions and tasks. Based on these considerations, the scope of strategic actions will vary depending on the adversary's objectives, capabilities, and the potential for escalation. Key strategic actions may include war mobilization, strategic attack, strategic air raid and counter air raid, deterrence, information operations, and protection—among many others.³² Plans for strategic actions are then incorporated into an overall strategic plan. In the end, strategic plans unite the war plans developed by theater commands for each strategic direction and guide war preparation and implementation during each conflict phase.³³

Planning at the operational level is driven by two general organizing principles: campaigns and combat systems.³⁴ Campaigns provide a joint organizational construct that includes an operational-level command structure with service- and function-oriented operations groups. Campaigns are the building blocks of PLA wartime planning at the operational level. They are based on a broad analysis of modern warfare and the key operations performed by military organizations. In essence, they describe a specific type of military operation (e.g., border counterattack, anti-air raid, or island blockade) and serve as an organizational template consisting of multiple operations groups that fall along a generally consistent set of organizational and functional lines.³⁵ As a general guideline, campaigns can thus consist of a range of operations groups—including ground, air, naval, missile, information operations, special operations, deception, combat support, and logistics.³⁶

Combat systems are closely related to campaigns, but the organizing principle behind them is functional rather than organizational. Combat systems are characterized by advanced weapons systems being coordinated and integrated across domains and services. According to PLA doctrinal materials, “modern campaigns are the confrontation between combat systems.”³⁷ This distinction is essential for PLA warfighting, which seeks to destroy or degrade an adversary's systems while protecting its own, particularly under what the PLA terms informatized conditions.

Responsibility for developing the Theater Command's joint campaign plan falls to the Theater Command's Chief of Staff, who receives overall direction from the theater commander.³⁸ The main contents included in the plan are (1) the campaign goal, (2) the main operational direction, (3) the campaign disposition, (4) the basic fighting methods, (5) campaign

³¹ Guangqian and Youzhi, 2005, pp. 171–174.

³² Guangqian and Youzhi, 2005, pp. 171–174.

³³ Guangqian and Youzhi, 2005, pp. 171–174.

³⁴ Li Yousheng, *Lectures on the Science of Joint Campaigns*, Beijing: Military Science Press, 2012, p. 72; Xue Xinglin [薛兴林], ed., *Campaign Theory Study Guide* [战役理论学习指南], Beijing: National Defense University Press [国防大学出版社], 2001, p. 66. System-of-systems structures are also widely discussed in Information Office of the State Council, 2015.

³⁵ Zhang Xingye, *Campaign Theory Study Guide*, Beijing: National Defense University Press, 2002, p. 47.

³⁶ Yousheng, 2012, p. 173.

³⁷ Yousheng, 2012, p. 173.

³⁸ Yuliang, 2006, p. 107.

phasing, and (6) campaign initiation time.³⁹ The campaign resolution is the most critical component for any campaign plan and serves as the basis for campaign development and execution.⁴⁰ Joint campaign coordination is accomplished through a unified campaign plan that coordinates the activities of all operational groups in line with the campaign resolution and plans. This coordination effort is intended to ensure that all campaign activities are synchronized and integrated and possess the necessary capabilities and support to accomplish their assigned tasks.

Planning Considerations Across Contingencies

The most recent version of *Science of Military Strategy*, published in 2013, outlined a framework of warfare types that China might face in the future. It included four categories of war: (1) a “relatively large-scale high-intensity anti-separatist war” that would center on Taiwan; (2) a “medium-scale, low- to medium-intensity self-defense and counterattack operation” along the periphery that could involve encroachments or threats to PRC maritime claims; (3) a “small-scale, low-intensity anti-terrorist, stability maintenance” operation to protect internal stability and Chinese citizens in China and abroad; and (4) a large-scale ground invasion.⁴¹ The large-scale ground invasion was viewed as only a remote possibility. The author contended that the PRC’s most significant threat involved a large-scale attack by a “powerful enemy” designed to destroy China’s war potential and force the PRC’s capitulation. The likeliest threat came from a limited conflict in the maritime domain. In the end, the author concluded that the scenario requiring most preparation involved Taiwan—a “large-scale, relatively high-intensity local war in the sea direction against the backdrop of nuclear deterrence.”⁴²

While the PLA has multiple campaigns relevant to the categories of conflict outlined in this framework, one authoritative PLA teaching guide identifies the Island Blockade Campaign, the Joint Firepower Strike Campaign, and the Island Offensive Campaign as “foremost among” all campaigns in the context of modern warfare.⁴³ The development of PLA joint training and core operational concepts in recent years demonstrates the PLA’s commitment to preparing for these types of operations. Recent experimentation on the operational concept of target-centric warfare has emphasized firepower strike capabilities and focused on engaging mobile targets and employing opposition forces in order to challenge exercise participants.⁴⁴ Similarly, PLA joint

³⁹ Yuliang, 2006, p. 99.

⁴⁰ Yuliang, 2006.

⁴¹ Xiaosong, 2013, pp. 98–100.

⁴² Xiaosong, 2013, p. 100.

⁴³ Yousheng, 2012, pp. 201–202.

⁴⁴ Ding Yahan and Li Dezhong, “In This Battle, Aiming at the ‘Vulnerable Spot’ When Firing—Close-Up View of the Military Region’s ‘Queshan Decisiveness 2013A’ Exercises with Troops, Part III,” *Qianwei Bao*, December 8, 2013, p. 2; and Chang Xin, “Use Military Innovation Theory to Guide Substantial Leap in Combat Power—In-Depth Reforms and Target-Centric Warfare-Adapted Command Methods Guide Transformation; Active Innovations and Target-Centric Warfare-Adapted Training Models Push Forward Transformation; Comprehensive Integration and Target-Centric Warfare-Adapted Information Systems Support Transformation; Gradual Completion and Target-Centric Warfare-Adapted Supports Serve Transformation,” *Qianwei Bao*, March 31, 2013, p. 4.

exercises since 2010 have focused on developing a variety of key operational capabilities while centering on Taiwan or contingencies on China's borders. In many respects, these operational concepts reflect long-term thinking about two of China's most significant potential conflict scenarios: Taiwan-centered operations and "chain reactions" along the PRC's periphery.⁴⁵ The most significant feature of recent PLA discussion about preparing for military struggle is not which potential conflict scenario is designated as most likely or most dangerous; instead, it is the extent to which PRC leaders are forcing the PLA to become more flexible and ready to deal with a much wider range of potential crises than in the past.

Managing Competing Requirements and Resource Constraints

The PLA's emphasis on preparing for contingencies in multiple theaters will place a premium on the effective coordination of resources among theaters. The emphasis of wartime coordination at both the war and campaign levels stems from several factors. The nature of the threat, both in terms of capabilities and the scope of its objectives, will dictate whether preparations will encompass more than one theater and the types of offensive and defensive capabilities that will need to be arrayed for both deterrence and homeland defense. The most challenging planning consideration requires preparations—especially in the PLA Navy, PLA Rocket Force, PLA Air Force, and Strategic Support Force—to counter a "strong enemy," a term reserved for the United States.⁴⁶ In addition, several scenarios ranging from maritime claims in the south and east to stability issues on the Korean peninsula raise the prospect that the United States will act with allies against the PRC. For instance, PLA studies have highlighted what they perceive as a recently more assertive Japan.⁴⁷ Against modern adversaries, such as the United States, PLA commanders and planners are compelled to prepare for long-range precision strikes against PRC's war potential. PLA planners see these types of attacks as a key feature of modern warfare and problematic because they expand the conflict's strategic space and increase the need for additional resources for national air defense, strategic protection of key assets, strategic counterattack capabilities, and rear area services.⁴⁸ More powerful adversaries with expansive goals may raise the potential for escalation in an attempt to hold China's strategically important targets at risk and potentially threaten PRC interests in other strategic directions. Multi-axis attacks present significant complications, requiring additional air defense to defend and offensive capabilities to retaliate. A final concern for managing competing requirements and interests is

⁴⁵ Information Office of the State Council, 2015, p. 4.

⁴⁶ One example of the United States referred to as the "strong enemy" comes from a PLAAF periodical reporting on recent training innovations: Dong Bin, "Win Gold Medals and Become Ace Units Through the 'Brand-Name' Training Events," *Kongjun Bao*, June 30, 2016, p. 1. See, also, Xiaosong, 2013, p. 120.

⁴⁷ Information Office of the State Council, 2015. In particular, the NMS states, "Japan is sparing no effort to dodge the post-war mechanism, overhauling its military and security policies. Such development has caused grave concerns among other countries in the region."

⁴⁸ Xiaosong, 2013, p. 109.

that of “chain reactions” or opportunistic challenges to contested claims on China’s periphery that occur during conflict and outside of the main operational and strategic direction.⁴⁹

Strategic management in crisis or war rests with the CMC—and within the CMC structure, it will fall to the organization with the specific functional responsibility. Strategic management and command of operational capabilities, activities, and disposition is under the purview of the CMC Joint Staff Department, with the mobilization and logistic support departments within the CMC exercising similar authority in their respective areas. At the national level, these activities likely will be performed through the CMC’s Joint Operations Command Center providing guidance and direction to the Theater Command Joint Operations Centers.

Implications for China’s Approach to Regional Security

The PLA’s military reforms and reorganization are intended to build a military that is more responsive to what China’s senior leaders see as an increasingly uncertain security environment. No longer is it possible to focus modernization and planning on one primary purpose without doing adequate preparation for other more likely (though less prominent) situations that could present crises. Over the past few years, PLA activities have emphasized building a military capable of responding to situations in multiple geographic regions and critical domains. The development of theater commands capable of planning and executing missions in their respective areas of responsibility will be a key factor in the PLA’s success or failure in achieving these objectives. Similarly, the attempt to build a joint strategic command structure within the CMC suggests that PRC leaders recognize the importance of integrating operational and support activities across multiple theaters in future conflicts. The major issue facing the PLA will remain its ability to adequately train and prepare staffs for this new environment. Although there has been a significant amount of training and exercise activity in recent years to develop these capabilities, there are indications that significant shortfalls still remain.⁵⁰

The PLA has made significant progress in several key modernization areas over the past two decades. Many of the new systems the PLA is bringing into its inventory are world-class and incorporate the latest technology. The proportion of the PLA that is considered modern by Western standards is increasing steadily. However, one of the most significant challenges for the PLA has been its ability to integrate these capabilities into the type of system-of-systems architecture it judges necessary for future conflicts. Its joint operations concept development has been focused on various aspects of this and there has been significant progress in several areas. That said, the PLA’s 2016 reorganization raised questions about its ability to plan and integrate

⁴⁹ See Information Office of the State Council, 2015; Xiaosong, 2013, p. 117.

⁵⁰ Han Guangming, “Take Aim at Missions and Tasks, Push Forward Joint Training,” *Jiefangjun Bao*, November 1, 2016, p. 6.; Wang Quan, Yang Fangmei, and Ouyang Zhimin, “Southern Theater Army Soundly Advances Its War-Realistic Training: Practice and Enlightenment,” *Renmin Lujun*, Dec 16, 2016, p. 1; Ouyang Zhimin, Ma Fei, and Xiao Chiyu, “Joint Training Is a ‘Chemical Reaction’: Viewing the Plying Effect of the New Force Structure on Joint Training From the ‘Southern Ground-2016’ Joint Live Force Exercise,” *Jiefangjun Bao*, February 3, 2017, p. 5; Shi Hua, Zheng Jinhua, and Xu Zhongguang, “Integrated Command Platform Training Must Deal With Concrete Issues,” *Qianwei Bao*, April 15, 2012, p. 4. Sources in Footnote 27 also describe shortcomings in this area.

these functions in a range of scenarios. At this early point in the new structure, the PLA is still grappling with how to train its commanders and staffs for joint command. By all accounts, the training is well under way but the results are questionable. It remains uncertain at this point how effective the PLA will be in future crises (especially major crises) at integrating information, activities, and capabilities across multiple theaters and among the PLA's services and branches. Shortcomings in planning and integration not only present potential military weaknesses in conflict, but also may create unstable situations in crises. If the PLA has difficulty managing resources and activities within its own organization, it will be more difficult for Chinese state and party entities to gain information and take courses of action to deescalate in a crisis. This could prove a devastating shortfall in many of the potential crisis areas or conflict scenarios that PRC leaders believe they may face in the future.

PANEL I QUESTION AND ANSWER

HEARING CO-CHAIR GOODWIN: Thank you, Mr. Cozad.
Commissioner Wortzel.

COMMISSIONER WORTZEL: Thank you all. You guys always when you're here give us great insights, and I appreciate your time today.

Bob, if I could, I'm going to quote something from your written statement and then ask all three of you to comment on a couple of related questions that it stimulated in me.

You said the hotspots that you see are Taiwan, South China Sea, East China Sea and North Korea. And in your paper, you say Beijing's behavior up to this point has shown careful steps to avoid conflict with the United States.

And so for all of you, I'd like your thoughts on if Beijing--is Beijing also reluctant to get into a direct conflict with Japan? And second, if Beijing sought to send a message about how serious it is both to the U.S. and the region, in which of these hotspot areas, in your estimate, are they likely to see a limited conflict because they have a history of using some active force and escalating to demonstrate that people better deescalate?

DR. SUTTER: Okay. I'll start if you'd like. On the Japan side, first of all, I think Mr. Heath and I agreed a lot on where, how China sees this sort of thing, and Mr. Cozad didn't get into the Chinese perceptions of using force necessarily, but I think we--China is very cautious. And just to add to the reasons that he, that Mr. Heath laid out, is this whole notion of the internal situation in China, and then the point I would always add to this, as well, is that China's situation in Asia is not that stable.

So if they get into a big dust-up with us, then what are these other countries going to do? They're not necessarily friendly to China, and so in India, Vietnam, there's a whole series of possibilities.

So on the Japan side, all those things come into play plus it's just such a close ally of the United States. So, in effect, if you get into a fight with Japan, you're going to get into a fight with the United States. So I think this sort of argues against that.

So, in my judgment, where would China's incentive to take this unusual risky action come about, and I think the area that's of highest priority I think is Taiwan. And so that's where I think nationalism and this sort of thing could really play a big role. You could say, well, they hate the Japanese. Okay. They hate the Japanese, and maybe that would be a factor, and obviously we're guessing here a bit, but the record is--the implementation of their reforms, their military reforms, their build-up of forces, so much of it has been focused on the Taiwan contingency, and things were going well, and now they're not, and so this is another element. So I think this is, this is, if I had to guess, I would say this.

MR. HEATH: Thanks, Larry. Great questions.

And to answer your first one, I agree that the Chinese have been careful. They are cautious about any situation that might involve U.S. forces, but I do want to underscore this idea of brinkmanship behavior. It is very typical of rising expanding powers who are looking for opportunities to demonstrate their strength, send a message to countries in the region, and to demonstrate to their own people that this is a military that has arrived.

There's a growing risk that the Chinese leaders might be tempted to try and test U.S.

forces and probe resolve and push the envelope in a situation to the point that, you know, if they could score a political victory of watching the U.S. back down, it might be a risk worth taking in some situations. So I think this is a risk that is growing.

About Japan, I think a similar dynamic is underway. In some ways, it is definitely more dangerous for the Chinese because the Japanese are already extremely motivated to feel that the Chinese are an enemy and a threat, and so there's a higher risk of escalation if things go wrong.

So the brinksmanship behavior there in some ways is more high risk, but as far as the area that is most likely to see this kind of brinksmanship behavior and risk-taking and China possibly willing to take a chance with a clash, I think we've already gotten an answer to that.

We've seen that in the behavior of the Chinese in the South China Sea. It's the area that I would point to, in particular, the episode of the Haiyang 981 oil rig. In that situation, we saw the Chinese put a large amount of hulls in water, gray and white. News reports say that they had moved some military forces closer to the area in case Vietnam attacked or somehow tried to damage the oil rig or Chinese ships, and then the Chinese would be in position to respond aggressively.

So I think it makes strategic sense that the Chinese would want to take this kind of risky behavior, take those chances against a neighbor that is not allied to the United States where the risks of escalation are lower. So in the event that the two countries ended up fighting, the chance it could escalate to systemic or major war would be far less than if it was a fight involving a U.S. ally.

So I think Vietnam is a ripe target in many ways for China and its military as they beginChina begins more and more to think about how can they send a message to the region, how can they demonstrate to their own people, and to the United States, that this is a military that is serious and is not going to be messed with and its demands needed to be heard.

So that's the area that I would be concerned about.

MR. COZAD: And specifically addressing the question of Japan, Japan has factored a lot more into the PLA discussions about planning, whether it's strategic planning or operational planning, over the past decade, as the Chinese set out after 1993 when they started developing theory and military science research to address some of the key issues that were outlined in the military strategic guidelines from that time.

Japan was conspicuously absent in many of those discussions. It was not a core element in the types of discussions they had about building operational strengths or in building their strategic disposition. Now, that is something that is regularly discussed. The United States is one, and Japan is another, and I think that goes more along the lines for them thinking that in many contingency situations, they're not just going to be dealing with the U.S. They're going to have to deal in some respects with Japan as well, whatever that may mean, whether it's direct involvement or the use of American forces based in Japan that are going to have to be addressed one way or the other.

The issue in terms of where I think the Chinese feel that they can push with the least amount of prospect for escalation, I would agree with Tim. I think it's the South China Sea.

But one of the things that I would highlight, and I think this is one of the key reasons why the Chinese have been talking the way that they have and training their forces the way that they have for these missions in new environments is that one of the things that's propped up over the

past couple of years has been this discussion, and it's never really discussed in great detail, but it's about chain reactions.

So in a lot of these situations that may not all be the same type of situation where China controls whether or not the escalation occurs, it could be a third-party taking some sort of opportunistic action to take advantage of the situation, and I think this concerns Chinese leaders greatly.

It's always been something that they've talked about, not in a great amount of detail and not with regular references, but I've started to see that coming up more frequently in authoritative documents, in particular, the Science of Strategy--you mentioned that--in 2013, as well as the National Military Strategy that was most recently published.

HEARING CO-CHAIR GOODWIN: Thank you.

Commissioner Tobin.

COMMISSIONER TOBIN: Thank you, Chairman, and thank you to all the witnesses.

Dr. Sutter, at the end of your testimony, when you were responding to the question what would it take, what would it take for China to stop its advances, you laid out two broad ideas, one of which was to develop a credible U.S. strategy backed by positive and negative incentives, and the second of which is a negotiated U.S. agreement with China that would accommodate some of their concerns.

So we're at a point of inflection now with a new administration. Could you expand on that and tell us a bit more?

And then to Mr. Heath and Mr. Cozad, I'd like to hear your thoughts on what can we the United States do to prevent further incremental advancement?

DR. SUTTER: Thank you very much.

As you'll see from my remarks, I'm not sympathetic with this point of view. But it exists and it's important to note it. There are various people that do this. I think Michael Swaine at the Carnegie Endowment has 160-page book on the, this issue.

COMMISSIONER TOBIN: Uh-huhYes.

DR. SUTTER: Basically it says it's time for the United States and China to sit down and negotiate the situation in Asia so that recognizing that neither one can dominate, and under those circumstances, therefore, we need to sit down and have an agreement.

Lyle Goldstein at the Naval War College has a book similarly along these lines, and so this school of thought is evident, and I think that I personally don't think it would work very well because I don't think it would be accepted in the United States. I don't think it would be. I know a little bit about Congress, and I don't think Congress would accept it.

COMMISSIONER TOBIN: YeahYes.

DR. SUTTER: So but that's, but it is there, and it is an important school of thought in looking at U.S.-China relations.

But the basic scenario is both sides come to recognize they can't dominate. It's foolish for them to fight, and so they come to some understanding of how the region would be dealt with in this situation. From my perspective, it would mean sacrificing these countries in the region, which the U.S. has important interest in.

COMMISSIONER TOBIN: Right.

DR. SUTTER: And so I don't think it's going to be very acceptable. You can finesse it,

and it's laid out in various ways how this could be done, and Goldstein talks about positive cycles of relations that reinforce the positive nature of the relationship and so forth, but to me it just sounds like it would be unacceptable to mainstream American opinion, particularly now, where I think mainstream American opinion is a bit negative toward China. And so I'm not optimistic that this would win broad approval in the United States if it were carried out.

COMMISSIONER TOBIN: And your first option was the positive and negative incentives. That was a different approach;, right?

DR. SUTTER: That's a very different approach that Senator McCain, many other people, have been talking along these lines, the notion that you need an effective military strategy, you need an effective whole-of-government strategy to deal with China.

My point of view is that--I must, if I could just admit this--I'm a loyal Democrat. Don't hold this against me if you're a Republican. But--

[Laughter.]

DR. SUTTER: But Mr. Obama really had a hard time dealing with China.

COMMISSIONER TOBIN: Yes.

DR. SUTTER: Because of the way he went about it.

COMMISSIONER TOBIN: YeahYes.

DR. SUTTER: He was easy to read. He was very predictable. He's very iterative. no dramatic possibilities were likely under his approach. Very transparent. And so the Chinese when they would probe, when they would carry out what Mr. Heath talked about as these probing activities in various ways, they knew that not bad things would happen.

COMMISSIONER TOBIN: Uh-huhI see.

DR. SUTTER: It was pretty easy. And he never linked. Never allowed the other issues to--he didn't allow these disputes in the South China Sea, in particular, to get in the way of progress in other areas of the relationship. There was no linkage.

COMMISSIONER TOBIN: Uh-huhYes.

DR. SUTTER: And so I'm not sure that's the right--I don't think that's the right approach. I think the Chinese government read that, they understood it really well, and they maneuvered, and they were effective in the South China Sea. In Japan, they ran up against Japan, and it was too hard for them right now.

But in the case of the South China Sea, they had a lot of success, and so I think that's why we need a strategy to deal with that, and it has to be whole-of-government, and it has to be economic, and there has to be some linkage, it seems to me.

COMMISSIONER TOBIN: Uh-huh.Yes..

DR. SUTTER: I don't think you can just do this on the basis of Ash Carter running around the South China Sea getting the Chinese to stop. That's not going to work or it leads to conflict if you're not careful. So I think we need a whole-of- government approach as a strategy.

COMMISSIONER TOBIN: That's the strategy you support.

Mr. Heath. Thank you, Doctor.

MR. HEATH: Yes, ma'am. I'm going to go back to something I mentioned in my presentation. The Chinese are always balancing tactical gain against strategic risk. So the more they sense that the strategic risk is large and dangerous, the more cautious they will behave.

If they sense the strategic risks are weakening, then they will have a much stronger

incentive to consider more risky and provocative and dangerous options. So the best way to keep the Chinese behaving cautiously is to make sure those strategic risks are real, and I think the best way to do that is to strengthen the U.S. engagement in the region, not just military but including military, but through economic initiatives, through diplomatic initiatives, preparing our allies and partners to have their own resources to meet the Chinese in the water with white hulls if that's what it is, and to demonstrate that the U.S. is committed and involved in the region; it's building its partnerships and alliances.

The more the Chinese see a U.S. that is deeply involved in the region and is very receptive and welcomed by countries in the region, the more cautious the Chinese are going to behave. The moment they conclude that the U.S. presence is very weak and that the commitment is weak, and that the U.S. resolve is questionable, I think you start entering some very dangerous situations in my view.

COMMISSIONER TOBIN: Thank you.

Mr. Cozad.

MR. COZAD: I think the first part of addressing this situation is trying to understand what the relationship in these different potential hotspots really is. So I think we need to be wide-eyed about what the Chinese are saying about the United States and work from there.

I've been looking at Chinese literature about military developments and operational planning for approximately 20 years, and the term "strong enemy" comes up regularly when they talk about the United States, and we can split these things out and say, well, these are military individuals talking, they're not Party individuals talking, but the bottom line is that this is seen across this literature and frequently in literature that is approved by committees that are overseen by the Central Military Commission and the China Academy of Sciences.

So I don't think these are isolated incidents in how they view the relationship with the United States. They talk about cultural security. They talk about encirclement. So if we take that from the starting point, we have to look at the kinds of things where we might be able to employ leverage over them and look at it in terms of a competition in these different hotspots.

I think one of the key areas that might be effective, not solely on its own but in combination with other things, is looking at our military-to-military relationship with the Chinese. The Chinese have been very quick to cut this off at times when they've been displeased with U.S. activities; we have not done that yet as far as I know.

And I think there is a good possibility of sending a very strong signal to the Chinese that the type of situations that are going on in some of these areas, particularly the South China Sea, is not acceptable to us.

I think the other way of looking at it is looking at things that may fall out of the military domain, the direct types of--you know, we've looked at increased presence, we've looked at freedom of navigation operations, and I think those are useful, but looking at things that might be economic incentives for those involved in building the islands. I know that has been suggested by others at different points, and I think that's a valuable area to explore.

I think the other thing, and it's really key, is that we need to make sure that we're building relationships, both diplomatically and militarily, in ways that reassure our partners in the region and getting more partners in the region to be involved in these situations.

Relationships between India and Japan are valuable to us. Relationships between

Australia, Japan and India are also valuable, and we need to be able to build those relationships in ways that show that Chinese action is an isolation, is isolated against the norm, and that other countries in the region, even if they want to, even if they have their own claims, are focusing on this in terms of a rule of law approach.

COMMISSIONER TOBIN: Thank you. Thank you, Chairman, for--

HEARING CO-CHAIR GOODWIN: Sure thing.

Vice Chairman Shea.

VICE CHAIRMAN SHEA: Well, thank you all for your great testimony.

We heard, just heard about strategic risks, and I want--but earlier this morning, we heard about strategic warnings, that concept, and as analysts of the situation, what would you consider as strategic warnings that the Chinese have concluded that perhaps conflict is unavoidable?

And I'm talking not just in the military area but also, well, in the broadest sense of the Chinese conception of warfare. For example, I'm thinking about Senkakus. I could see a perception management campaign targeted at the U.S. public to say these are just a bunch of rocks; why would you want to get involved in that? Would that be a strategic warning to you as an analyst that something might be up?

So pick a hotspot and tell me what you would consider strategic warnings. Anybody? Do we have a taker?

DR. SUTTER: I'll say something.

VICE CHAIRMAN SHEA: All right.

DR. SUTTER: And obviously I'm not as expert in this type of thing as our other two panelists so I will defer to them on specific instances. What I think I watch is are they changing their priorities as a regime? Look at their broad priorities. Are they changing it in significant ways where they would consider this type of thing?

You know, I think after this summit meeting in Florida, I think you see that Xi Jinping, he took risks. He came here. He went to--he even came to the United States. So Trump didn't go to China. This is a big risk. Donald Trump could have undermined him at the end of the meeting by just sending a tweet saying "bad meeting."

That's all he had to do, and it would have been very damaging for Mr. Xi. He's--

VICE CHAIRMAN SHEA: But it would have been censored in China so--

DR. SUTTER: What's that?

VICE CHAIRMAN SHEA: It would have been censored in China.

DR. SUTTER: They can't censor tweets, sir. No, the tweets are very effective.

VICE CHAIRMAN SHEA: I'm joking. I'm joking.

[Laughter.]

DR. SUTTER: If you're looking to counter China's propaganda apparatus, this is a great way to do it. But the point is their priorities are still to keep this relationship stable for them. They need it, and for domestic reasons, because of the foreign situation, and so forth.

If that changes, and then they're willing to take these provocations, the provocations that were raised that seemed workable to me are in the South China Sea too, but that's not the U.S. They don't think the U.S. will be there. That follows from their judgment. The U.S. hasn't been there before, and I think they think if they do that, I don't think they'll expect the U.S. to be involved.

So will their orientation change in a broad sense? I think you'll get a lot of different indicators of this. We're powerful now, we don't have to do this, and I don't think it will come out of the blue. I think we'll have a lot of preparation for this kind of discussion.

VICE CHAIRMAN SHEA: Thank you.

MR. HEATH: I think there's two issues that you could focus warning about. One is a militarized crisis and one is an actual war. A militarized crisis is going to be a much lower threshold in terms of whether indicators or signs that trouble may be brewing because crises by nature tend to be often unpredictable and unexpected.

What For a crisis, what you need is at least a minimum of preparation among the public, some mobilization of public sentiment on this issue, and I think that China is already there, certainly on the East China Sea, on Taiwan, and South China Sea. They're already politically primed--their people--in the event of some crisis to test or to carry out some kind of provocative behavior and brinksmanship type action.

I think they're already at that point, and therefore warning when that might happen or how might it happen is difficult.

In terms of a war, I think we're still a long ways off from that, and if you study past wars of countries in similar situations and how they got to that point, at the very least, it involves a pattern of repeated crises. This is why the first serious militarized crisis is can be very dangerous. Once you've breached that threshold, you break that precedent of China fighting, shooting, killing airmen, sailors, and soldiers of another country, you have dramatically increased the odds that you're going to have a repeat crisis, and when that happens, it kicks off a number of things:

The public sentiment on both sides starts to mobilize and polarize and turn against, harden their views against each other. Policymakers start to reset priorities and rethink what they want to allocate against a threat. Money starts flowing to arms. Arms buildup starts increasing.

So a lot of political and military dynamics kick off after that first crisis, and that's what makes it so dangerous. But thankfully we're a long ways off from I think a situation where war is imminent, but what's unnerving to me is some possibility of a military crisis is growing.

VICE CHAIRMAN SHEA: Thank you.

Mark.

MR. COZAD: Okay. Given a couple seconds to think about that--

VICE CHAIRMAN SHEA: Okay.

MR. COZAD: The Chinese have been developing their capabilities for the past 20 years with the expectation that they needed to be prepared for a confrontation with the United States.

So I think in the broadest sense, we should have had warning back in the 1990s about what their intentions were. Now where those efforts are directed, which strategic direction and secondary directions are their primary focus, I think, are open to change based on the changing situation in the region.

But I think from that broadest perspective, they've been, this has been their intent for quite a while. I don't think the Chinese leaders think that war is inevitable, but they definitely know that they have to be prepared for it, and if I were to pick two regional hotspots that present some degree of uncertainty, the South China Sea, I think, is more certain than the North Korea scenario, but it is one, as I mentioned, that presents that concern about chain reaction, chain

reactions in the region.

If there is some sort of crisis that develops based on a U.S.-China confrontation, China-Philippines, and U.S. becomes involved in some respect, there may be third parties that control the direction of that crisis, and China won't have really the ability to dictate the terms in that case.

North Korea I think is a particularly interesting situation because this is one where the Chinese don't publicly talk a great deal about what they're thinking in terms of developing capabilities and operational concepts for North Korea.

But they are definitely there. When you look in the literature, you look at the scenarios that they're discussing in the literature and the problems they're trying to solve, it doesn't leave a lot to the imagination that many of these, many of these preparations are focused on possible contingencies in North Korea.

And I think that's the one that is most concerning because in many respects, China doesn't really play that direct of a role in how it unfolds. There are a lot of variables that have to happen to get China involved. I think China is definitely planning on being involved. It's not one of those situations where they'll sit back and watch. So I think in terms of that strategic warning, I think we're already there in many respects.

I think when we start looking at strategic warning in terms of warning of war, which is one of the ways that we traditionally talk about that, I think a key element in that warning is looking at third-parties and the dynamics in these different regions amongst the third-parties. It's not necessarily on China itself.

VICE CHAIRMAN SHEA: Thank you.

HEARING CO-CHAIR GOODWIN: Senator Talent.

COMMISSIONER TALENT: Thank you, Mr. Chairman.

This is a very impressive panel. In fact, I cannot remember a panel where I've agreed more with what everybody said so naturally it seems impressive to me.

[Laughter.]

COMMISSIONER TALENT: So three questions. Dr. Sutter, you mentioned that the 1996, I think it was '96, confrontation over Taiwan. Was it '96 or '97? I can't--

DR. SUTTER: '96, '96.

COMMISSIONER TALENT: '96--gave you some hope because that was resolved peaceably, but the balance of power in the region has shifted so dramatically since then that I don't--in fact, if I view it as anything, it may be a reason to be concerned because I'm a little concerned the Chinese wouldn't mind humiliating us with a show of power the way we humiliated them.

I think that was very traumatic for them, and, in retrospect, I'm wondering whether we shouldn't have found some other way of resolving that although I supported it at the time. I'd like your comment on that.

Mr. Heath, you mentioned that you thought all things considered, Taiwan, one of the likeliest flashpoints, and I agree. I'd like you to address a couple of factors you didn't mention and see whether you think that they're significant.

The first is that China has had a consistent narrative regarding Taiwan obviously for--what--you know, 60 plus years, and has succeeded in a practical matter getting most of the world

to accept that narrative. And so that would be a justification for them to move in the event that there was any significant sign that they could take advantage that Taiwan was moving to independence.

In other words, it's the strongest ground for them in terms of the narrative for a significant move. I think that could be significant.

And another point is that although the United States is tied to Taiwan--we have the Taiwan Relations Act and other things--the commitment to defend Taiwan is not as ironclad as, for example, Japan. So they might think we have an escape hatch, you know, we would not have to fight for Taiwan the same way we would for Japan. They might think we would back down. So I mean I'm agreeing with you about Taiwan, but I'm wondering what you think of those potential factors?

And then, Mr. Cozad, you talked a lot, and I think in very expert fashion, about the shift in the military balance of power, which I think is the contextual, the overwhelming contextual fact in everything in the region, to the point we tend to forget it it's so big and so ever present. So you say one area we still have an advantage is operational effectiveness, jointness, you know, command structures, culture, all those things. I agree with that.

Would you agree we also have an advantage in the undersea domain continuing? I think they're probably afraid of the Virginia class submarine. And where do you think we might be able, relatively quickly, to do something to restore more of a balance? What asymmetric things can we do? And I'm talking about hard power now. Do you like the idea of an inexpensive missile frigate, land-based, long-range cruise missiles?

I realize we would have a treaty issue with that. What things could we do relatively quickly that would give them pause just from a standpoint of hard, hard power? There are a lot of questions, I know, but I appreciate your--

DR. SUTTER: No. Very good questions. Thank you. And they are related in various ways.

On the question directed to me on the situation as it's changed since 1996 and so forth, I certainly agree with that, that balance of power has shifted enormously. The thing that gives me some confidence in managing these kinds of crises that Mr. Heath was talking about is this close relationship that the U.S. government has had with China in dealing with these kinds of issues, a lot of experience in dealing.

And the Taiwan experience was very notable. Taiwan was a very hot spot from 1996 until really 2008. And it was the U.S. and Chinese militaries, their best forces, were facing each other over these issues. So it was extremely sensitive it seemed to me. And we dealt with that. We had an experience in dealing with that--both sides.

And the militaries have set up areas, channels of communication with one another, to manage this kind of situation. Now will it work? So it sounds like if there is a dust-up of some sort, and it's inadvertent for some reason, then the two can get together and manage the situation.

COMMISSIONER TALENT: I see now. So you were saying it makes the risk of a miscalculation lower in your view?

DR. SUTTER: Yes. And--

COMMISSIONER TALENT: Not necessarily a deliberate policy or deliberate initiative or--

DR. SUTTER: That's correct. That's correct. But I think coming back to my basic point, I don't think they want--the Chinese want this kind of conflict with the United States, and if you want that type of conflict, Taiwan is, you're really going to get it in Taiwan, it seems to me. That would be a very serious challenge to the United States.

So that's my basic point here, that we've dealt with that in the past. It was--we need to remember what happened in that period--'95 until 2008. We were all biting our nails most of the time. Would there be a war? Would China go for it? This was the constant refrain in the U.S. government throughout that period.

So I think that we're not at that stage yet. The problem today is that we have these four elements going on at the same time and with lots of different players in it, and that makes it much more difficult and therefore possible that you could have a real crisis in this situation.

The military, military part wasn't directed to me. The military balance--just a small point here. The Obama government came to complain about the bullying and the intimidation tactics of Beijing to the South China Sea and to Japan. And Taiwan, Taiwan was subjected to this kind of enormous intimidation and bullying for since 1995, and we never--we stopped complaining about that. We don't talk about that anymore.

We don't say they're bullying and they're intimidating Taiwan. We don't say that. Mr. Obama didn't say it, and now this government isn't saying anything either. So that may be a signal that's not good.

MR. HEATH: Senator, great questions. On the balance of power and the possibility that China might try to humiliate the U.S. in a stand down, I think I agree with you totally. I think this is the danger. I've mentioned a time or two this brinksmanship type behavior with a political objective in mind, not necessarily what's happening on the water but what are perceptions of who's the real power in the region.

COMMISSIONER TALENT: Uh-huh.

MR. HEATH: I think that's the danger I worry about.

COMMISSIONER TALENT: And if they do it over Taiwan, they've won. They've become the hegemon then. I mean--

MR. HEATH: No, I mean it would be--

COMMISSIONER TALENT: --they won't declare it, but everybody will know what the implication--

MR. HEATH: Well, depending on the particulars of the situation, the implications could be really serious.

Now in terms of their narrative on Taiwan, I agree with you. Obviously the world largely has, supports the one China policy, and it's very unlikely that a whole lot of countries are going to come to Taiwan's aid in the event of an attack.

On the other hand, I think the strategic implications of Chinese military approach to Taiwan is growing. And a lot of countries are paying attention. It's noticeable how much countries that have disputes with China are subtly upgrading ties with Taiwan because they know how Taiwan is treated by China is going to give you a sense of how China will start dealing with other neighbors.

So we see, for example, Japan, is changing the name of its office to Japan-Taiwan Relationship Office. That's the name of their office in Taipei. This infuriated Beijing, and India

similarly welcomed a parliamentary delegation from Taiwan. It infuriated Beijing. You're seeing a lot of things going on in the region that shows countries are worried that if China decides and that it has a free hand to simply attack Taiwan, it thinks could think that it has a free hand to start dealing with other countries that way.

So I think in that sense that it is an encouraging sign because there is a strategic risk for China that is growing, and I think even the Chinese leaders recognize that they have to proceed carefully and they have to explain. They're going to have to justify why are you attacking Taiwan? Is it because this is sovereignty and territory that belongs to China; therefore, they have the right to use military force to recover it? Well, that's, they also have sovereignty and territory claims involving Japan, Vietnam, Philippines. Does that mean they now have the right to start acting that way towards anybody who they feel is occupying their land? It's a very dangerous game for them to start going down that route.

MR. COZAD: In terms of undersea warfare, I know you will have panelists later today who are much more expert in naval issues. From what I have seen in the literature that I look at, which a lot of that is focused on the development of operational strengths and armed forces building, what the Chinese call it, they see that as an area where the U.S. is going to have a continued advantage for some years to come--one of several.

And as you mentioned, there are several areas in terms of some of the soft capabilities--training, command and control, networking--those kind of things that they see as much more to the U.S. advantage.

If I were to go back and look at making recommendations about for where the United States could potentially invest resources, if we go back and look at how the Chinese responded after 1999 and the concerns that drove those responses, I think there were two really prominent areas where the development took off.

The first is looking at areas of air defense. They looked at the way the United States had conducted operations over the course of the 1990s, the fact that we had attacked strategic targets, defense industries, strategic command and control, and they became very concerned about that and spent a lot of time and effort building up their air defenses but also developing operational concepts for air defenses.

And these started actually before Operational Allied Force was even over. They were writing about this and talking about this.

The next area is the emphasis that they placed on being able to attack adversaries away from the Chinese mainland. So what this did was they wanted to prevent an adversary's ability to build up around China's periphery and be able to attack with impunity. They noted that both in Iraq and Yugoslavia, that was a key shortcoming in the way that both of those countries approached the conflict.

So they started focusing on long-range strike capabilities. The first out of that was ballistic missile development, the short-range ballistic missiles, but then there are other classes of longer-range missiles designed for U.S. capabilities in other parts of the region.

And then we also have the development of cruise missiles, which they've spent a considerable amount of time developing. So as I look at those key areas, what I would say is in order to negate those, we need to place a lot of time and emphasis on looking at missile defense and especially missile defense network with partners to be able to address some of those issues.

Electronic warfare is a very important area that the United States has not placed a lot of emphasis over the past 20 years.

And then also improving our strike capabilities. I think the one thing that frequently gets glossed over when we talk about PLA modernization is that after 1999, they had this, they had a concept that came into vogue that I think it was generated initially with the Russians. It was called non-contact warfare. Non-contact warfare was important because not so much about the capabilities that it talked about. It was the purpose of why those capabilities were being employed.

So from the Chinese standpoint, conflict and war was no longer about the attrition of mass armies and looking at a force-on-force confrontation as we had looked at in previous eras. It was about damaging a country's war potential, whether that was economic potential, political leadership, and in forcing a country to be subdued along those lines.

And so a lot of the capabilities they pursued were along the lines of looking at how to counter non-contact operations and also being able to conduct non-contact operations in a future environment.

COMMISSIONER TALENT: Okay.

HEARING CO-CHAIR GOODWIN: We don't have our full complement of commissioners here today so we have a little bit more latitude on time, but I do want to make sure we get to all the questions.

COMMISSIONER TALENT: Yeah. I'm sorry, Mr. Chairman.

HEARING CO-CHAIR GOODWIN: No, that's fine.

COMMISSIONER TALENT: I took a long time.

HEARING CO-CHAIR GOODWIN: And we should have time for a second round, too. Commissioner Stivers.

COMMISSIONER STIVERS: Thank you. Thank you all for being here this morning.

This is a question for all three panelists on crisis management. Dr. Sutter mentioned in his testimony that tensions are high in part because there's more active flashpoints than at any time since the Cold War ended.

It seems that much of the analysis focuses on each hotspot almost by itself. And so I'd like to explore a little bit about what would happen if there were multiple flashpoints at the same time? I mean with rising tensions right now in North Korea, there could easily be a situation in the South China Sea regarding fishing vessels or with the Philippines or Vietnam, or there could be a situation where North Korea could try to take advantage of the situation in the South China Sea or somewhere else.

And so I'd like to explore a little bit and better understand how you might think China would react to that sort of situation, and with complicated multiple actors, when it's not just the U.S. and China trying to resolve a crisis in the region?

DR. SUTTER: That's a very difficult question. The thing that gives me some confidence in this situation is that apart from the North Korean regime, you don't have that kind of an actor that's looking for trouble in some way. So Taiwan isn't looking for trouble. Japan isn't looking for trouble. And the countries in Southeast Asia don't seem to be looking for trouble.

So I don't want to say that that doesn't, that danger isn't there. It certainly could happen in a lot of different ways, and I guess if China were to carry out this crisis creation that Mr.

Heath is talking about, this scenario, this is a possibility, but my sense is that if there is a crisis in one area, will the Chinese want to create one in another? I don't think so.

I think they would want to deal with that one in a way that avoids escalation and so forth, particularly if the U.S. is directly involved. So I guess I'm arguing against this happening here, which is not a particularly good argument because I said, well, you've got so many variables here with four cases, something like this could happen, and it would, yes. That could happen.

So I have to admit that it could, but I don't see the actors there doing it except for North Korea. I see North Korea, yes, they're quite capable of this, but the others I just think the situation is such that we don't have that dynamic in play very much. But I'm not sure how helpful that is because once that happens, then we have to deal with the situation, which is very difficult, and I think we'd have to fall back on our experience in working with China over how to deal with this particular question.

And in North Korea, we're not particularly well prepared. The other areas we have lots of experience. So we probably can work something out.

MR. HEATH: I tend to agree with Dr. Sutter that there are a lot of variables in any hypothetical situation, let alone one with multiple flashpoints, and it's not clear what the motivations are of any of the actors, but if we, you know, I guess I'd highlight at least a few points about how China would respond in any case.

First off, I think what would really influence their behavior is the nature of the U.S.-China relationship. So to the extent--this kind of reiterates, reaffirms the point Dr. Sutter made--to the extent the U.S. and China have a working relationship, and they can work together, that would go a long ways towards helping Beijing manage these various crises for whatever reason they've erupted.

If, however, the U.S.-China relationship was hostile, it could make the situation extremely destabilizing and extremely dangerous. So that's one factor.

Second, even though the Chinese leadership does have a national security commission type organization, they're still relatively inexperienced in crisis management so I'd worry about how well they can manage a variety of crises. My hunch is that they would try to triage and either cut deals or ease up tensions on multiple crises so they could concentrate their attention and energy on the most pressing and dangerous crisis in hopes that in the future they could go back and deal with the other issues.

Those I think are the main insights I'd offer about that admittedly very challenging question.

MR. COZAD: My answer is going to have two parts. So along the lines of what the other panelists have mentioned, I think a core element of this is going to be looking at how Chinese leaders perceive their ability to be able to respond effectively with the resources they have.

One other thing, in situations where they think that's going to be more difficult and that they may be taking on unacceptable risk, I think in those situations, there is going to be a concerted effort to signal the United States and others who may have leverage with whoever the other participants in these different hotspots may be about the possibilities of escalation, about the problems that a regional conflict might face.

You know we've seen this in other cases where they've come to the United States,

signaled to the United States that these issues matter very much to us. We don't want them to get out of hand. We need your help or we need you to manage the situation with these people who are your allies.

I think this scenario, though, gets to the heart of why the PLA conducted the reorganization and why Xi Jinping put out his directive to prepare for military struggle, is that in the past Taiwan has really been the core element of looking at how the PLA has trained and equipped its forces. So if we go back about 15 years and look at the type of training that was going on in the PLA, the experimentation in particular, a lot of those were designed to address operational concepts that were central to Taiwan scenarios.

We don't see that as much anymore. We see a lot of it, make no mistake. I mean that's still a very important scenario. But the training we've seen over the past couple of years have focused on things like long-range mobility, being able to get forces from very far parts of the country to distant battlefields, to be able to address these types of contingencies.

So I think as we look at the reorganization, a really key element of that reorganization was making the PLA a much more flexible and operationally-oriented force within the individual theaters to be able to address these.

The administrative control, the administrative structures under the military regions was not equipped to do that, and that was a long-held recognition within the PLA, and it's only with this reorganization that a lot of those issues are attempting to be addressed.

The issue that we get to following on to that, however, is the PLA's confidence in its ability to command and control all of these different capabilities and resources across the different theaters. If there are multiple situations that they have to deal with, that places a premium on a nascent system that at this point we don't think is fully developed and ready for prime time.

COMMISSIONER STIVERS: Thank you.

HEARING CO-CHAIR GOODWIN: Thank you.

Commissioner Slane.

COMMISSIONER SLANE: Thank you all for taking the time. It's been very, very helpful.

I agree with your premise that the Chinese are very calculating, and they're not about to shoot themselves in the foot and do something radical, but I think that what they are trying to do is to undermine our economy because they understand that we can't have a strong military without a strong economy.

They studied the Soviet Union, and when you talk to them, they'll tell you that the Soviets knew how to build a missile, but they couldn't bake a loaf of bread. And the point was that they had a very weak economy, and it ultimately caused their collapse.

We recently returned from Pacific Command, and there were a lot of concern about lack of funding and inability to do their mission. Yesterday we had a briefing from the National Laboratories on supercomputing and the word is that the Chinese are now catching up and passing us by in supercomputing, which is the fundamental basis for innovation in this country.

And, you know, at the end of the day, the only thing the Chinese really understand is power, and if we, if they see us become weaker economically, and we can't get our GDP up to three percent, that just emboldens them to become more and more aggressive. I mean would you

agree with me?

DR. SUTTER: I think you have hit on a very important point. I think when I look at the Chinese challenge to the United States, I see it on a broad set of areas. I hadn't thought of it in terms of the deliberate weakening of the U.S. economy, but I think that the U.S. economy is a fundamental ingredient of U.S. power, and they clearly want to weaken U.S. power in areas that matter to them.

On the economy, the way I see the Chinese, it's sort of they're milking the economy. In other words, they want to take advantage of it, and there are lots of things the U.S. has to offer in the economy, and they want, they want the access to that, and at the same time they want to compete with it and become international leaders in areas where the U.S. used to be international leaders.

So this is the kind of policy that--so they don't really--so I guess they're a little conflicted. They need the U.S. economy because it can help them advance their technology and their research and development and so forth. But there are still things that they need from it, and they need the stability that's provided by the United States and so forth.

And so I think this is--it's a mixed picture as far as the economy is concerned. They're very anxious to benefit from the power, the things that the U.S. economy has that they can get access to, to advance their economy. The latest thing of course is the acquisition of companies with advanced technology that they can bring back to China and create innovative products that will compete with American products and do that sort of thing.

So on balance, I see a conflicted sort of approach for the Chinese. They need to coexist with the United States. They need this relationship to work for them now. Once they get to the point where they can be very competitive in all these different areas, will they need the United States much anymore? And I think not. And then they can take a different approach to this issue. But for now they still need the United States economy.

MR. HEATH: Yeah. Yes. I think you are raising an important issue of economic competitiveness. And I would steer clear of language suggesting that China wants to undermine the U.S. economy because that doesn't help them any more than it would help us to undermine China's economy. Right? We're so interdependent. We're the first and second-largest economies in the world. They need us, we need them, in order to grow.

That said, you're right I think to say they want to outcompete the U.S. and become the preeminent economic power, technological power as well, and that has very big strategic and military implications if they get to that point. They will feel like they should be the ones essentially who calls the shots or makes decisions about a lot of arrangements globally, about how geopolitics should steer this way or that, and historically that is a very perilous situation. That is actually the occasion for some of the most destructive wars when you have this rising leader who feels like it should replace the established power.

So I think all that underscores the importance of the U.S. maintaining its economic and technological edge, and that suggests the importance of a number of policies ranging from innovation-related policies, economic-related policies, even, you know, immigration-related policies.

One of the biggest advantages the U.S. has over China is that the U.S. can recruit from around the world in a way that China has struggled to do so. A Chinese official once said China

can recruit from 1.5 billion people, but here's the problem, America recruits from 4.5 billion people, and this is very hard for China to compete with. So I think, you know, focusing our policies, maintaining our economic edge, maintaining our technological leadership, this is really, really critical to maintaining, again managing that strategic risk, making sure the Chinese remain cautious, making sure they realize that it's best to work with the United States and not try to, you know, test more provocative ways of damaging U.S. leadership.

HEARING CO-CHAIR GOODWIN: Let's leave it at that, begging your pardon, Mr. Cozad. We have a couple more commissioners to get to.

Commissioner Cleveland.

COMMISSIONER CLEVELAND: Good morning and thank you for coming. This is very helpful testimony.

We focused a great deal on how China might respond, and I'm interested in sort of bringing together a couple of different thoughts here that you've expressed. I think, Mr. Cozad, you said that China is always balancing tactical gains against strategic risks, and you mentioned that the relationship with India and Japan was valuable, which left Korea out in my mind--Mr. Acheson.

And then Dennis mentioned this notion of characterizing the Senkaku as a bunch of rocks. We've talked about Taiwan as a flashpoint, and where I'm going with this is I'd like you to define in a sentence or two, each of you, what U.S. vital national security interests are in this region?

I think there has been confusion over red lines and policy so how would you define our vital national security interests?

DR. SUTTER: Thanks. I'm a professor. I have to do that kind of stuff.

COMMISSIONER CLEVELAND: Oh, and I would like to say the fact that you're here today on April 14, the fact I was allowed to leave the office in admission cycle--I'm at the Graduate School of Education at GW. So we're both lucky to be out of the office.

DR. SUTTER: Out of the office; right.

As an old-timer looking at this issue, the U.S. national interest is the U.S. does not want to see this region dominated by a hostile power, and that's been the case since Pearl Harbor. Pearl Harbor showed that that type of a domination is a threat to the United States. So we're trying to keep this situation from being dominated by one power that could be hostile to the United States.

China is not necessarily hostile to the United States, but it's not necessarily friendly either. So it's very, it's a very uncertain type of situation. So this kind of interest I think drives our approach. I would add another personal interest.

If we want to get along with China on hard things, we need leverage in Asia. We used to have leverage on the economic side. We don't have nearly as much of that. We used to have leverage on Taiwan. We don't quite have as much of that. But we still have a lot of leverage in Asia, and what the Chinese are going to do in Asia is undermine that leverage. They want to make sure we don't have it. And then they won't have to pay much attention to us.

And I think that's not in our interest. You have to ask yourself honestly why does China cooperate with the United States on hard things? It does because the U.S. has certain things they want or certain things they want the U.S. not to do. And where can we do that? We can do that

in Asia if we choose to and we often don't choose it.

But this is another advantage of the United States having a strong position in Asia is that. So that's at stake here. These two things are at stake: we don't want to see the region dominated by a hostile power and we don't--and I think we don't want to lose that leverage.

MR. HEATH: I would add I mean certainly we have allies and partners we care about and have long established ties with. We want stability and peace in Asia. We want to maintain access and make sure American interests are fairly treated, and all that is in jeopardy if a potentially hostile power becomes the leading power in Asia and decides it will prioritize its own interests over those of U.S. If the U.S. loses out, too bad.

The way I'd phrase it is that China wants to be the veto power in Asia. Currently the U.S. is actually the veto power. The Chinese and U.S. disagree on a number of issues, and where we disagree, the U.S. tends to win out. China wants to unify with Taiwan. The U.S. vetoes that. No, you're not going to do that. China wants to recover Senkakus. U.S. vetoes that. No, you're not going to do that.

China wants to flip that so that in the future it has the veto power, and if our allies and partners, if it suffers, too bad. That matters less to China, and if for them, in China's view. If the U.S. and Chinese interests clash over economic and trade and investment issues, and the U.S. loses out, too bad. and China wins out.

This is the reason why the U.S., I would argue, should reinvest, double down and strengthen its leadership in Asia. It impacts pocketbook issues, it impacts global stability, it impacts the prospects of global peace.

MR. COZAD: I think the U.S. interest boils down to peace and prosperity, and I think one of the reasons why the relationships we have developed in Asia over time have taken the course that they have is that the countries who enter into those relationships with the United States see the United States as a country that's willing to play by a rules-based system and try to get others to do the same.

As the other panelists have mentioned, China presents a significant challenge to that because outside of that system, they've been challenging it significantly over the past several years. It places both of those issues at risk. China sees many things in the region as zero sum, and because of that, they want to be the ones setting the rules, and they want to be the ones determining the boundaries for both peace and prosperity.

And I think that the United States in maintaining these relationships, and others wanting to maintain the relationship with the United States--I think one thing that's noticeable about East Asia is that this is a place where you have had democracies that have actually developed. They have not been imposed. They've developed on their own over time based off of these relationships, and I think it's a model for other regions to follow, but it's also a very I wouldn't say fragile, but it's definitely something that can be contested if not carefully guarded.

HEARING CO-CHAIR GOODWIN: You done? I have a follow-up in the brief time we have.

In addition to the interest in the region, of course, we have obligations there too. And with reference to Taiwan, Japan, and the Philippines, depending upon the circumstances and the manner in which certain crises or contingency could develop, statutory, legal and treaty obligations could all be implemented.

Certainly the Chinese are aware of that, and I suppose on some level the answer to this question is relatively self-evident, but how do American obligations in the region inform and affect Chinese contingency planning along these hotspots? And I'll open it to the panel.

MR. COZAD: They've always been a significant factor. I think they're becoming more so, and one of the issues there is when the primary focus was Taiwan, there for several years, the primary issue that the Chinese felt they had to deal with in relation to Taiwan contingencies was U.S. intervention.

I think today if you just single out that specific scenario, they also have questions about whether or not they will have to confront Japan in some capacity, and I think that they're starting to develop the perspective that that confrontation with Japan in the event of a Taiwan scenario may be much more direct than just the Japanese allowing U.S. access to bases in the conflict.

A lot of times when we talk about the Chinese perception of encirclement, I think we don't give that due attention in terms of the psyche. They really do believe that that's happening, and they believe that it's happening with the countries around the region and the alliances that the U.S. has developed.

I think one notable thing about that was after 2003 in Gulf War II, there were some U.S. allies who participated, not a lot. There was a lot of consternation among U.S. allies, but two of the allies that did participate were Japan and South Korea, and I don't think that that was lost on the Chinese in that situation.

So I think the Chinese view these alliances as something that's absolutely vital and critical for U.S. security in different areas and a critical part of our planning. So it's definitely something that they feel they need to take into account for their contingency planning.

MR. HEATH: I'd argue that the Chinese regard the U.S. treaty obligations as a risk, and actually increasingly possibly as an opportunity in a sense that if we go back to that theme that we've talked about earlier, the Chinese were looking for opportunities to demonstrate that U.S. resolve is much weaker than people thought, and that at the end of the day the U.S. will defer to China. Finding situations that technically obligate the U.S. to do something but result in U.S. inaction I think would be an opportunity the Chinese would be interested in exploring how to exploit.

So we have obligations with a lot of countries and treaty obligations, and we have issued numerous statements saying how we will honor them, but I think the Chinese are in a mode of probing and testing and seeing how sincere is that and how realistic is that commitment?

So even though those U.S. ties still present some of the largest risks to China, and I think really deter them from really provocative action, certainly involving our allies, increasingly they're in this opportunistic mode that I think encourages them to start looking at ways to use these obligations against the U.S. and demonstrate that the U.S. commitment is much less than it appears on paper.

DR. SUTTER: Yeah, just to supplement these excellent comments, I fully agree with everything that has been said. One thing that the U.S. commitments pose for China, though, is a question about their commitment in Asia. What does the U.S. do? It's unique in what it does. It underscores its willingness to take big risks and big costs for the sake of order in Asia.

In other words, \$100 billion a year of expenditures, U.S. military people in harm's way for the protection of order in Asia, stability in Asia. China is not willing to do anything like that.

They're win-win. Everything is win-win. And their win set is quite narrow.

So they're not prepared to replace that type of order. They have their own plans, and they'll use it in their win-win way, but the idea that they would undertake big risk, big cost, Chinese people would be put in harm's way for the order in Asia. No. For Chinese interests in Asia, yeah, but for the order in Asia, I don't think so.

And so this is something that puts them in somewhat of a disadvantage because the governments ask themselves, well, what are these Chinese going to do for us under certain circumstances, and the Chinese say, well, we'll have win-win. But if you look at win-win carefully, the win set of China is quite narrow. It basically makes China stronger and develops better.

So in a way, the U.S. as an example of leadership can be used against the Chinese to some degree and as sort of a public relations type of aspect if you publicize it because they won't do alliances. They won't do those types of commitments at all.

HEARING CO-CHAIR GOODWIN: Thank you all for your testimony today. Excellent, very informative.

We're just a couple minutes over. We'll adjourn now for a ten-minute break and start back up around 11:15 for our second panel. Thank you.

[Whereupon, a short recess was taken.]

PANEL II INTRODUCTION BY VICE CHAIRMAN DENNIS C. SHEA

VICE CHAIRMAN SHEA: We'll reconvene now. Our second panel today will focus on the PLA's preparation to resolve a potential crisis that develops along China's maritime periphery by reviewing likely contingency operations associated with Taiwan, Vietnam, the Philippines, and Japan.

First, we'll hear from Dr. Christopher Yung, who will be here momentarily, who is the Donald Bren Chair of Non-Western Strategic Thought at the Marine Corps University. I'm talking about you, Dr. Yung.

He conducts research on China's expeditionary warfare capabilities, emerging foreign and defense policy, and maritime capabilities. He is a former Research Fellow and Deputy Director at the Center for the Study of Chinese Military Affairs at the National Defense University.

Dr. Yung has also supported the Office of Secretary of Defense, the Joint Staff, and Combatant Commanders concerning Asian defense and strategic issues. Dr. Yung will highlight how a Taiwan contingency operation may unfold, discuss campaign objectives, and assess how the PLA might address organizational and logistical challenges in such an operation.

Next will be Mr. Ian Easton, who is a research fellow with the Project 2049 Institute where he focuses on defense and security issues involving the United States, China, Japan and Taiwan. Last summer he served as a visiting fellow at the Japan Institute for International Affairs in Tokyo.

Previously, Mr. Easton worked as a China analyst at the CNA Corporation. He will be discussing potential PLA contingency operations associated with a South China Sea crisis.

Following Mr. Easton will be Captain James Fanell, U.S. Navy Retired, who is a China specialist with the Geneva Center for Security Policy.

Captain Fanell retired from the U.S. Navy in January 2015, concluding a nearly 30-year career as a naval intelligence officer specializing in Indo-Pacific security affairs with an emphasis on the Chinese Navy and its operations.

His most recent assignment with the U.S. Navy was Director of Intelligence and Information Operations for the U.S. Pacific Fleet. Thank you for your service, Captain.

Captain Fanell will discuss a Senkaku Island contingency and focus on how the PLA may execute an operation to wrest control of the islands from Japanese administrative rule.

As noted earlier, please keep your remarks to seven minutes, and we're not bashful about asking questions. So Dr. Yung, we'll start with you.

**OPENING STATEMENT OF CHRISTOPHER D. YUNG, PH.D.
DONALD BREN CHAIR OF NON-WESTERN STRATEGIC THOUGHT, MARINE
CORPS UNIVERSITY**

DR. YUNG: Thank you very much, Mr. Chairman, ladies and gentlemen. I truly appreciate the opportunity to testify on this very important topic.

It's also quite timely. I was just in Taiwan about a month ago on some of these topics that you all are likely to discuss today. So let me start off with the first question of a Taiwan scenario and to paint a picture of how we might possibly lead or get into a conflict with Taiwan.

So many observers of Chinese defense and foreign policy are of the opinion that for the past decade China's strategy has involved a slow absorption of Taiwan back into Beijing's sphere of influence, and I agree with that general assessment.

A decision by the Chinese leadership then to move toward overt violence against the island would have to involve a significant political setback of some kind to the Chinese Communist leadership and a disruption of the Chinese long-term political calculus.

I've got in my written testimony a detailed description of what those setbacks might be, but for the purposes of time, we can discuss what those scenarios might be leading to those conditions in which Chinese leadership might feel threatened and would lead to a conflict of some kind.

With that in mind, the road to conflict would initially involve an overall Chinese political objective to coerce Taiwan's political leadership into reversing some political position or policy. That would be essentially the immediate objective of the Chinese leadership to reverse some political decision Taiwan has made. Maybe it's on independence. Maybe it's on pushing for greater recognition in the United Nations.

The Chinese would initially attempt to bring about some sort of reversal of that kind of political decision, and I won't go into details on how that could unfold, but initially you'd have to get to the political objectives China is trying to bring about, and then how that would essentially escalate and unravel.

That would include U.S. responses. How would the United States respond, which would possibly undermine China, the Chinese Communist Party leadership legitimacy, even further. It might even escalate the crisis. So we can talk at length about how that would unfold, but for the purposes of time, I'll move on to getting into the actual conflict itself.

But it's a very detailed discussion on how coercion would then lead to escalation, which then possibly would lead to a calculus on the Chinese Communist Party's part to decide that they have more to lose by not acting than by acting.

The next question that I was asked to address were campaign objectives. Once the Chinese Communist Party and the People's Liberation Army have decided that overt military action against Taiwan needs to take place, what would necessarily be the campaign objectives of the Chinese Communist Party?

So PLA campaign objectives would first attempt to isolate Taiwan physically from its most likely protector, the United States. That would be the first objective they're going to try and do: isolate Taiwan. The PLA will then engage in military actions designed to directly deter U.S. interference in the conflict.

Failing to deter American involvement, PLA campaign objectives will then be designed to keep direct American military interference to a minimum through so-called counter-intervention operations that are well known among China analysts, also known as anti-access/area denial types of operations.

Anticipating the possibility that the United States' involvement is not as limited as hoped or planned for, the PLA will eventually then attempt to rapidly conduct its operation. It would have to be able to do this very quickly, involving rapid assault on Taiwan, establishing a beachhead, expanding that beachhead, and--this is an important piece--seizing ports and facilities, particularly airports, and flowing in ground forces and other forces through those access points to be able to conduct this operation.

I make that argument primarily because China lacks the amphibious lift to do this entirely through an amphibious assault. We'll talk at length about why that's my assessment and why many other analysts believe that's the case. So it would have to be done through a rapid seizure of ports and airports and be able to land forces for a follow-on type of operation.

The other question that I was asked to address were counter-intervention planning considerations. What kinds of issues would the PLA be thinking about in terms of counter-intervening American involvement in this?

I would say the first issue that the People's Liberation Army would be thinking about is the exact force posture of the U.S. military presence in the Asia-Pacific. And more importantly or just as importantly, the force posture of American forces in theaters adjacent to the Asia-Pacific.

So specifically where and how are the United States postured in the CENTCOM AoR, and can China then slow down those forces which are likely to respond, not only from CONUS and from WESTPAC, but also from the CENTCOM AoR?

What size of forces will rotate through the Asia-Pacific region? And then additionally a counter-intervention planning consideration is the state of U.S. alliance system and the likelihood that the allies would support U.S. response, and whether or not U.S. allies would actually respond with the United States. So those are all considerations the Chinese would have to think about and plan against.

A big question with regard to how a Taiwan contingency is going to unfold has to do with the forces in theater, in the Eastern Theater Command, and I was asked specifically to lay that out, and that is in my written testimony, which I will submit for the record. I think for the interest of time, we should just refer to that written testimony. We can talk at length about what those forces are and what they are capable of doing.

I would say that, as I mentioned before, naval forces of the EC fleet and the South Sea fleet, the combined fleet, still lack the ability to conduct a full-scale amphibious assault on Taiwan. Now it's still a sizable number and growing, and those capabilities are certainly increasing, but right now China lacks the full-scale amphibious assault to land anything larger than a division on Taiwan.

An increasing concern or an issue that we need to pay a lot more attention on is the formation or the development of joint operations, and so one of the other questions the organizers of this review have asked me to look at is how joint coordination and deconfliction takes place.

We've got some writings on that issue, but I would say that we have a rudimentary understanding of how China would conduct some sort of joint operation related to Taiwan. We have a sense that they've studied the problem, and when I read through the science of military campaigns and the science of island campaigns I notice that there's a lot of issues that the United States joint operations addresses--how you do deconfliction. How do you manage battle space? They recognize the issues that we confront.

Nonetheless, I think that our understanding of how they specifically would manage a joint operation still needs to be worked out. For example, what's their view on the use of joint component commanders? Do they think that they need to form a JFACC? Do they need to form a JFMCC? Do they need to form a naval forces warfighting command in order to manage the naval side of the house?

So I think we need to understand better a lot of the joint warfighting aspects of this as well as the specific doctrines that the services, particularly the navy, might have to say on this matter.

Just a quick note on the joint reforms that were announced in 2016. I would echo what the earlier panel had to say about how those reforms certainly will help the PLA undertake a Taiwan contingency.

Just to give you a few examples. The fact that you move from a military region to a standing joint warfighting organization in and of itself is an improvement over what had been the case before. In other words, the military region organization that had been in place for decades prior to the reorganization would have involved a transfer or a transition from a peacetime military operation or military organization to a warfighting organization.

That alone, that reorganization alone, will help China engage in a Taiwan contingency. There is much more we need to talk about, but again for the interest of time--I'm sure that will be a follow-up question.

Finally, one of the things I wanted to talk about was the idea, what happens after a successful PLA assault, and this is really an understudied issue. I would argue that once China--let's assume China does successfully land on Taiwan and has essentially subdued or taken Taipei. If you look at the geography of Taiwan, ringed by mountains around its perimeter, this is ripe for Taiwan special forces to actually lead some kind of insurgency against People's Liberation Army occupation force.

So some of the analysts covering this have argued that the PLA garrison force would have to number at a minimum in the tens of thousands and possibly even larger. So an argument can be made that if the PLA actually undertakes this mission, it's not the end of the story, that they may have years and years of protracted conflict depending on how Taiwan decides to manage this issue.

With that, let me conclude.

VICE CHAIRMAN SHEA: Yeah, we need to wrap it up. Thank you.

DR. YUNG: Yes. And that's what I'm doing right now.

VICE CHAIRMAN SHEA: Okay.

DR. YUNG: And so let me just wrap up and say that this is a very interesting issue, and I'm looking forward to your questions.

Thank you very much.

**PREPARED STATEMENT OF CHRISTOPHER D. YUNG
DONALD BREN CHAIR OF NON-WESTERN STRATEGIC THOUGHT, MARINE
CORPS UNIVERSITY**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

Introduction

I would like to thank the U.S.-China Economic and Security Commission (USCC) for the invitation to testify on this timely and important subject. The growing military capabilities of the People's Liberation Army (PLA) has long-standing strategic and foreign policy implications both for the United States and for the countries of the Asia-Pacific Region. The most likely scenario in which the United States and China might find themselves in conflict is a Taiwan scenario. It is therefore a privilege to be asked to give my expert opinion on this topic. At the same time, for at least two decades a potential Taiwan conflict has been one of the most examined scenarios by the China watching community. It is therefore one of the best documented contingencies by the defense intelligence, foreign policy and national security communities. That is good news for an unclassified effort meant to highlight an important strategic and national security issue before the public; however, it is incumbent upon this author to sort out amongst the large number of studies, the best of the bunch, for the purposes of providing an accurate assessment of how the PLA would train, organize, equip and prepare to address such a contingency.

The Road to Conflict: A Macro View

Many observers of Chinese defense and foreign policy are of the opinion that for the past decade China's strategy has involved a slow absorption of Taiwan back into Beijing's sphere of influence.¹ These assessments have been based on the larger developments of Cross-Straits relations since the KMT under President Ma Ying-jeou returned to power in 2008: these include the successful conclusion of a Free Trade agreement (the Economic Cooperation Framework Agreement or ECFA); direct flights between Taipei and cities on the Mainland; increases in tourist and student exchanges on both sides of the Strait; Beijing's cessation of competition for diplomatic recognition; a successful summit between President Xi Jinping and Ma Ying-jeou in 2015; and relatively stable and positive discussions during Cross-Straits talks. Following the successful election of Taiwan's previously pro-Independence DPP candidate, Tsai Ing-wen,

¹ For an example of this assessment of China policy toward Taiwan see You Ji and Daniel Alderman, “Changing Civil-Military Relations in China” in Kamphausen, Lai and Scobell, *The PLA at Home and Abroad: Assessing the Operational Capabilities of China's Military*, U.S. Army War College Press, Carlisle, PA., 2010., pp. 168-70;

China analysts within the United States have concluded that China's strategy, although having experienced a road bump, continues along the same trajectory—that is, to encourage a gradual erosion of political barriers to political integration between the PRC and its “wayward province”.

A decision by the Chinese leadership, then, to move toward overt violence against the island would have to involve a significant political setback of some kind to the Chinese Communist leadership and a disruption to the Chinese long-term political calculus. American China watchers have characterized these setbacks as either: (1) involving a sudden reversal of Taiwan positions on the question of its political autonomy or independent status; (2) involving a sudden threat to the legitimacy and regime survival of the Chinese Communist Party (CCP); and/or (3) a rapid downturn in the Chinese economy and an effort on the CCP leadership's part to distract the Chinese population from severe economic problems.²

Of these potential motivators the last of the three is the least likely. The Chinese Communist Party has not had a history of turning to diversion in times of economic and social hardship. In fact, the best counter-example involves the Great Proletarian Cultural Revolution, when the country was practically falling apart, and the Communist leadership under Mao did not take to adventures abroad. The CCP, then, is more likely to use force in reaction to something significant that Taiwan's political leadership has done leading to a significant political set-back for the CCP and risking regime survival.

With this in mind, the road to conflict would most likely look like the following. First, overall Chinese political objectives would be to coerce Taiwan's political leadership into reversing some political position or policy. This would most likely take the form, first, of subtle political actions designed to turn the heat up on Taiwan such as a resumption of “diplomatic poaching activities”, reversal or rescinding of economic and political agreements between the two parties, and other efforts to cut off Taiwan's diplomatic and political maneuver space. Second, if the CCP sees little or no effect of these subtle actions, it will increase the coercive activities, but in such a way as to shield Beijing's direct involvement. Examples include discrete cyberattacks on the Taiwan private sector or Taiwan government agencies, increased political warfare activities through social media, or other lower level forms of espionage and harassment. Third, as the Chinese find their activities are not having the desired political effect, the PRC's coercive efforts will increase in intensity and overtness. These activities include the harassment of Taiwanese shipping by the PLA Navy or the Chinese Coast Guard, the initiation of large scale military exercises in the vicinity of Taiwan and the movement of military forces designed to send a strong signal to both Taiwan and to other interested countries (e.g., the movement of nuclear forces), overt signs of intelligence collection and surveillance by aircraft, seaborne vessels, and UAVs in violation of Taiwan's air and sea space. While these activities are taking place, it should be noted that neither Taiwan, nor the United States and its allies are likely to be watching these developments

² “What Do the Experts Think?: Could China Seize and Occupy Taiwan Militarily?”, ChinaPower Website, Center for Strategic and International Studies, as found in <http://Chinapower.csis.org/can-china-invade-taiwan/>

with calm composure. In fact, the American response to these activities, in addition to expressions of condemnation and alarm, will most likely be to display a stronger degree of support to the island—including enhanced military sales, an increase in U.S. government interactions with Taiwan, overt military training to the ROC military, and open declarations of political support to Taiwan (short of recognition). These actions are likely not to have their intended effect of forcing the Chinese to back down, but instead are likely to erode the CCP's legitimacy further and increase the risk to CCP regime survival.

It is at this point that the CCP is likely to decide upon a course of action which could propel China into a conflict over Taiwan. The Chinese military will have likely had in place contingency plans involving a range of blockade options against Taiwan. These include: (1) a declaration of a Military Exclusion Zone with no intention of actually enforcing it; (2) a light intercept option to harass some of the international shipping going to Taiwan; (3) a modest effort blockade in which the PLAN deploys in the vicinity of the island and harasses shipping; and (4) a mining of the waters adjacent to Taiwan's ports and sealanes; and (5) a full fledged blockade sealing the island and involving a full scale effort to intercept both air and seagoing vessels. In such a tense environment, a decision on Beijing's part to "cross the Rubicon" and launch a full-scale attack on Taiwan would most likely result from a combination of the following events: (a) a declaration from the United States that, given these latest developments, its support to Taiwan is going to substantially increase including a sizable arms sale of some of the most sensitive weapons systems (e.g., F-16C/D); (b) Taiwan's movement toward greater autonomy, possibly by seeking again formal recognition by the U.N. of a Taiwan state and possibly even a formal declaration of independence given these coercive actions on China's part; and (c) an even more dramatic reversal to China's political position through actions from the International Community such as a United Nations General Assembly condemnation of Chinese actions.

Campaign Objectives of the PLA

It is unlikely that the PLA will be able to embark upon a full scale assault of Taiwan with minimal damage to China's economy, the world economy and to China's international reputation. Nonetheless, PLA planners will have put in place actions which are designed to do just that—initiate military objectives while mitigating collateral damage to China's economy and its political position. As a consequence, PLA campaign objectives will first attempt to isolate Taiwan physically from its most likely protector the United States. Second, the PLA will have engaged in military actions designed to directly deter U.S. interference in the conflict. Third, failing to deter American involvement, PLA campaign objectives will be designed to keep direct American military interference to a minimum through so-called "counter-intervention" operations. Fourth, anticipating U.S. involvement through air, subsurface and surface combatant interference in PLA operations the PLA will attempt to conduct a rapid assault on Taiwan, establish a beachhead, seize ports and air fields, and land ground forces on Taiwan within a short time period (the PLA planning assumption depending on the Chinese assessment of how long the

PLA believes the Taiwan military can hold out). Fifth, in the likelihood that the PLA fails to achieve its military objectives on Taiwan prior to American build up and direct intervention in the conflict, PLA campaign objectives are then likely to involve counter-deterrence operations, pre-emptive strikes on high value operational targets, operations designed to deny the U.S. military access to information and situational awareness, and operations designed to strike at the American logistical system and the U.S. military's ability to operate for a sustained period forward. In short, Chinese campaign objectives would roughly conform to Chinese doctrinal writings on how to wage a "Local War under Conditions of Informatization".

Counter-Intervention Planning Considerations

In thinking through PLA efforts to keep the U.S. military at bay, the PLA has un-questionably thought through the following factors shaping their actions for pre- and post- initiation of hostilities against Taiwan. First, the exact force posture of U.S. military in the Asia-Pacific and theaters adjacent to the APR. For example, how is the U.S. postured in the CENTCOM AoR and which of those forces are likely to also respond to a Taiwan contingency? Can these responding forces be slowed down? How much military presence in the Far East can directly be applied to the Taiwan scenario? What size of a force rotates through the region and how much lift has the U.S. Navy dedicated to the region? Second, what is the current status of allied-U.S. relations? And has there been any evidence of daylight between the U.S. and allied involvement in a Taiwan contingency? Will U.S. allies be accompanying U.S. forces or at least lending assistance or providing other supporting assets? How long is the Taiwan military anticipated to hold out before the U.S. can intervene? What is the latest intelligence on Taiwan military and civilian resiliency? Finally, what is the consensus on the U.S. actual operational response to a Taiwan contingency? An Air-Sea Battle response³, a response similar to an Offshore Control approach⁴, a hybrid of these two operational concepts, or something entirely different?

The PLA and Counter-Intervention Operations

A recent study by the RAND Corporation has modeled in detail what a set of PLA counter-intervention (i.e., against the United States military) campaigns might look like in 2017. Entitled *The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power, 1996-2017*, it first displays the respective orders of battle of the two powers and posits a number of different scenarios in which the military forces of the two are pitted against one another. These are: an Air Campaign over Taiwan and the Spratlys; U.S. penetration of Chinese airspace; U.S. capability to Attack Chinese air Bases; Chinese Anti-Surface Warfare; U.S. Anti-Surface Warfare Against Chinese Ships; U.S. Counterspace Capabilities Against Chinese Space Systems; Chinese Counterspace Capabilities Versus U.S. Space systems; U.S. and Chinese Cyberwarfare

³ Jan Van Tol et. Al. "Air Sea Battle: A Point of Departure Operational Concept", Center for Strategic and Budgetary Assessments (CSBA), Washington, D.C. , May 18, 2010, as found in <http://csbaonline.org/research/publications/airsea-battle-concept/publication>

⁴ T.X. Hammes, "Offshore Control: A Proposed Strategy for an Unlikely Conflict", *Strategic Forum*, # 278, NDU Press, 2012 as found in <http://www.dtic.mil/dtic/tr/fulltext/u2/a577602.pdf>

Capabilities; and U.S. and Chinese Strategic Nuclear Stability. The analysts at RAND then posited how these forces would be utilized against one another, and then ran a number of simulations between the two opposing forces and examined the results.

The extensive findings of this study are beyond the scope of this testimony. However, the specific findings as they relate to China's ability to effectively conduct counter-Intervention operations is directly relevant to this testimony. In general, the study found that while the U.S. continues to enjoy overall military dominance, at the same time "it faces a progressively receding frontier of military dominance in Asia. Chinese military modernization, combined with the advantages conferred by geography, have endowed China with a strong military position vis-à-vis the United States in areas close to its own territory (i.e. Taiwan). As a result, the balance of power between the United States and China may be approaching a series of tipping points...in contingencies close to the Chinese coast (e.g., Taiwan)...[T]hese tipping points may not give China ultimate victory in a war with the United States. Indeed, the United States is likely to maintain important advantages in a longer conflict. They do, however, represent points at which PLA forces could gain local or temporary air and naval superiority during the initial battles, and at which ultimate U.S. success might entail sustained combat and significant losses."⁵

The PLA and a full scale Taiwan amphibious and airborne assault

Although China has no published document similar to the U.S. "Unified Command Plan"⁶ or "UNAAF"⁷, the forces assigned to the Eastern Theater Command, formerly the Nanjing Military Region, are well known to the China analytical and defense policy community.⁸ The expected forces for a Taiwan military contingency are listed in Table One. These assigned forces are not expected to change by 2020. It needs to be stated at the outset that the naval forces supporting this mission are in and of themselves insufficient to lift more than a division in a direct amphibious assault of Taiwan.⁹ It is possible that the PLA could launch a simultaneous airborne and amphibious assault along with SOF seizures of ports and airfields thereby allowing forces to flow in through these access points, but at present the PLAN lacks enough direct seaborne amphibious lift to land sufficient forces to seize and hold the island. This assessment still holds out to 2020.

⁵ Eric Heginbotham ET. Al. *U.S.-China Military Scorecard*, RAND, Santa Monica, 2015, p. 342.

⁶ See <https://www.defense.gov/About/Military-Departments/Unified-Combatant-Commands>

⁷ "United Action of the Armed Forces" (UNAAF), Joint Publication 0-2, 10 July 2001.

⁸ For example see Ian Easton, "Challenges Facing Taiwan in the South China Sea" Project 2049, October 17, 2016, pp. 13-4 as found in <http://www.project2049.net/documents/Challenges%20Facing%20Taiwan%20in%20the%20South%20China%20Sea.pdf>; also see Peter Wood, "Snapshot: China's Eastern Theater Command", *China Brief*, Vol. 17, Issue 4, March 14, 2017 as found in https://jamestown.org/wp-content/uploads/2017/03/CB_17_4.pdf

⁹ See for example Dennis Blasko's assessment of Chinese amphibious lift capability in "The PLA Navy's Yin and Yang: China's Advancing Amphibious Force and Missile Craft" in Dutton and Martinson, eds., *China's Evolving Surface Fleet*, CMSI # 14, Naval War College, Newport, R.I., 2014, p. 13.

In addition to those force assigned to the ETC for a Taiwan contingency, forces from the Southern Theater Command (STC) will also play a supporting or augmenting role. These assigned forces are listed in Table Two. Unlike the ground forces for the ETC it is not the case that all of the ground forces in the STC will have been allocated to ETC as follow on forces for a Taiwan contingency. A small number of these ground units may have been reserved for this role, but not all. We can gain a better sense of what proportion of STC ground units have been reserved for this role by the number of these units which have obtained consistent amphibious assault training. This number is not large. Only the 123rd and 124th Infantry Divisions in the Southern Theater Command have been designated as Amphibious Mechanized Infantry Divisions (AMIDs) and have received consistent amphibious training. Additionally, the ground forces located in Yunnan and Guangxi Provinces are not geographically situated to quickly participate in a Taiwan contingency. Similarly, not all PLAAF units listed in the STC table are likely to be assigned to support a Taiwan contingency. Given their geographic locations, those air force units assigned to Yunnan are more likely reserved for a Vietnam or India contingency. By contrast, PLA airborne forces assigned directly to the Central Military Commission (CMC) who have received the requisite training, such as the 15th Airborne Corps and its three airborne divisions located either in Kaifeng, Henan, or in Wuhan, are very likely expected to play a direct role in a Taiwan contingency. Additional follow-on forces can also be brought in from other locations throughout China. This is illustrated by the recent successful efforts at cross-Military Region transportation exercises for the purposes of moving large numbers of PLA ground forces from one region of China to another at times of crises.

By contrast to the limited number of ground and air force units in the STC supporting an ETC commander during a Taiwan conflict, a larger proportion of the PLA Navy assigned to the STC has probably been assigned to support the ETC during a Taiwan conflict. This is the case because the South Sea Fleet has already been assigned to address maritime territorial dispute issues in the South China Sea, has received amphibious training, and until recently has been the only part of the PLAN which has had a dedicated PLA marine corps force assigned to it. By similar logic, it makes sense that the PLAN's North Sea fleet would have a minimal supporting role as far as amphibious operations is concerned since NSF units receive little amphibious training. At the same time, the NSF might play an important function in keeping Japan and the U.S. preoccupied and out of the area during a Taiwan crisis.

Ground Forces	Naval Forces	Air Forces	Rocket Forces
First Group Army	East Sea Fleet		Base 52, Huangshan
1st Amphib Mech Inf. Div.	Naval Aviation, Ningbo	3 rd Fighter Division	807 th Launch Bgde.
178 Mech Inf. Brigade	4 th Air Division, Taizhou	14 th Fighter Division	819 th Bgde.
3 rd Motorized Inf. Brigade	6 th Air Division, Shanghai	29 th Fighter Division	811 th Launch Bgde.

10 th Armored Brigade	1 st Flying Panther Rgt	28 th Attack Division	820 th Bgde.
Artillery Brigade, Wuxi	8 th Frigate Dadui	10 th Bomber Division	Launch Bgde., Shaoguan, Guangdong
Long-distance Artillery Bgde, Wuxi	6 th & 8 th Destroyer Zhidui	SAM Bgde., Quanzhou	817 th Launch Bgde.
5 th Army Aviation Brigade	5 th landing ship, Zhidui	UAV Bgde., Liancheng	
Air Defense Bgde, Zhenjiang, Jiangsu	42 nd Submarine Zhidui	85 th Air Bgde.	
12 th Group Army	22 nd Submarine Zhidui	3 rd SAM Bgde.	
34 th Mech Inf. Brigade	21 st Fastboat Zhidui	8 th AAA Bgde.	
35 th Mech Inf. Brigade	2 nd Combat Support Ship Zhidui		
179 th Motorized Inf. Bgde.			
Artillery Bgde., Xuzhou, Jiangsu			
Air Defense Bgde., Hua'an			
Spec. Ops Bgde., Jiangsu			
31 st Group Army			
86 th Motorized Inf. Div.			
91 st Motorized Inf. Div.			
92 nd Motorized Inf. Bgde.			
3 rd Artillery Bgde.			
13 th Air Defense Bgde.			
Amphib. Armored Bgde.			
Special Ops Bgde.			
10 th Army Aviation Rgt.			

Table One. Eastern Theater Command (ETC) Order of Battle¹⁰

The State of PLA Training for a Taiwan Conflict

A number of specialists on PLA training have observed the contents of PLA exercises and their possible application to a Taiwan operation going back to the mid-1990s. One analyst observes that between 1979 and 1999 the PLA conducted 100 large-scale blue water combined training programs and exercises. A 1996 study identified 96 brigade or larger PLA training exercises between 1990 and 1995 or about 16 exercises per year.¹¹ The Navy was identified as participating in 36 of these.¹² It is therefore unquestionable that in terms of level of effort the PLA is attempting to improve its capability to conduct large scale military operations. The Dongshan exercises, explicitly identified by analysts as designed to either prepare PLA units for a Taiwan contingency or at a minimum to give the impression of preparation for a Taiwan assault, have received mixed reviews. While increasing in size and complexity, in reality the PLA has conducted a series of discrete exercises, some joint, some not, with the various units of the PLA. One assessment stated that the Dongshan exercises “lacked the attributes of a true joint operation.”¹³ Some observers have noted, however, that other exercises have moved from extremely scripted affairs to the initial signs of unscripted free play for the exercise participants.¹⁴ Other observers have noted that the “jointness” in the exercise is still rudimentary and involves “consultation” and “de-confliction” but not true joint inter-operability of the different services present.¹⁵

Nonetheless, in addition to the Dongshan exercises, a number of other large scale training events have implications for a Taiwan conflict. The Kuayue (Stride) Exercise series involve the long distance movement of division size forces across China, the transfer of operational control from one Military Region Commander to another and display an increasingly sophisticated capability to manage logistics at long-distances.¹⁶ The Lianhe (Joint) Exercise series is designed to “enhance joint intelligence acquisition, joint command and control, joint fire power strikes, joint

¹⁰ Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2016 (Washington, D.C.: Department of Defense, 2016); Jamestown Foundation China Brief; The Directory of PRC Military Personalities (2016 edition).

¹¹ Bernard Cole, “China’s Navy Prepares: Domestic Exercises, 2000-2010” in Kamphausen, Lai, and Tanner, eds., *Learning by Doing: the PLA Trains at Home and Abroad*, U.S. Army War College Press, 2012, pp. 38-40 as found in <http://www.dtic.mil/dtic/tr/fulltext/u2/a570772.pdf>

¹² Ibid.

¹³ Ibid.

¹⁴ Bernard Cole, “China’s Navy Prepares: Domestic Exercises, 2000-2010” in Kamphausen, Lai, and Tanner, eds., *Learning by Doing: the PLA Trains at Home and Abroad*, U.S. Army War College Press, 2012, p. 37 as found in <http://www.dtic.mil/dtic/tr/fulltext/u2/a570772.pdf>

¹⁵ Ibid, p. 38. See also Kevin Pollpeter, “Towards an Integrative C4ISR System: Informatization and Joint Operations in the People’s Liberation Army” in Kamphausen, Lai, and Scobell, eds., *The PLA at Home and Abroad: Assessing the Operational Capabilities of China’s Military*, U.S. Army War College Press, Carlisle, PA, 2010, pp. 212-9.

¹⁶ Dennis Blasko, “PLA Exercises March Toward Trans-Regional Joint Training” in *China Brief*, Jamestown Foundation, November 4, 2009 as found in https://jamestown.org/wp-content/uploads/2009/11/cb_009_59.pdf

electronic confrontation, joint actions of forces and joint support and reinforcement.”¹⁷ These two selected exercises alone have implications for a Taiwan contingency since the movements of large forces can be undertaken to provide follow-on forces in the latter stages of a Taiwan conflict, and as discussed previously the PLA must refine and improve an extensive array of joint operational functions.

Ground Forces	Naval Forces	Air Forces	Rocket Forces
14th Group Army	South Sea Fleet		N/A
1 st Inf. Bgde., Yunnan	2 nd Destroyer Zhidui	2 nd Fighter Division, Guangdong	
40 th Inf. Bgde., Yunnan	9 th Destroyer Zhidui	9 th Fighter Division, Guangdong	
42 nd Inf. Bgde., Yunnan	11 th Fast Boat Zhidui	18 th Fighter Division, Hunan	
Artillery Bgde., Yunnan	Fast Boat Zhidui	44 th Fighter Division, Yunnan	
Armored Bgde., Yunnan	Operations Support Vessel Zhidui	8 th Bomber Division, Hunan	
Air Defense Bgde., Yunnan	6 th Landing Ship Zhidui	4 th Transport Division, Guizhou	
Infantry Bgde., Yunnan	1 st Marine Bgde.		
41st Group Army	164 th Marine Bgde.		
121 st Mountain Inf. Bgde, Guangxi	8 th Naval Aviation Division, Hainan		
122 nd Inf. Bgde., Guangxi	22 nd Naval Aviation Regiment		
123 rd Mech. Inf. Bgde., Guangxi	23 rd Air Regiment		
Artillery Bgde., Guangxi	9 th Naval Aviation Division		
Armored Bgde., Guangxi	25 th Air Regiment		
42nd Group Army	28 th Air Regiment		
132 nd Inf. Bgde, Hainan	27 th Air Regiment		
Artillery Division, Guangdong			

¹⁷ Zhang Yuqing and Zhang Julong, “Jinan Military Region’s ‘Lianhe-2008’ Research Purposed field Drill is Unveiled”, *Xinhua*, September 19, 2008.

12 th Amphib. Mech. Inf. Division, Guangdong			
163 rd Inf. Division, Guangdong			
Special Ops Bgde., Guangdong			
Long Range Artillery Bgde., Guangdong			
Air Defense Bgde., Guangdong			
Army Aviation Bgde., Guangdong			
9 th Armored Bgde., Guangdong			

Table Two. Southern Theater Command (STC) Order of Battle

Finally, the mounting evidence of the PLAN fleets capable of sailing across maritime boundary areas and changing operational control from one Sea Fleet Commander to another has implications for the ability of the PLA Navy to break off naval units from one fleet, dispatch it to the operating area of another, and to have the latter fleet take command of the newly dispatched forces. A more generous interpretation of the utility of the Dong Exercises points out that Dongshan 2004 involved naval forces from all three fleets thereby explicitly demonstrating the PLAN's ability to "cross fleet and theater boundaries."¹⁸ A National Defense University report documenting the activities of PLAN flotillas sailing out to the East China Sea and conducting naval exercises of increasing complexity and diversity—adds to this mounting evidence.¹⁹

Eastern Theater Command Joint Campaign Coordination and De-Confliction

With the arrival and utilization of forces outside of the ETC, it is logical to ask how these forces are expected to be de-conflicted and coordinated. Fortunately a substantial amount of scholarship has been undertaken to assess how the PLA manages joint campaigns. Zhanyixue or the Science of Strategy specifically addresses joint campaign management. Accordingly, Dean Cheng notes that "the joint campaign command structure will vary, based on the scale of the joint campaign. Thus, war zone strategic campaigns, the largest-scale joint campaign, will be built upon a three-tier campaign command structure. A war zone direction campaign, an

¹⁸ Christopher Sharman, "China Moves Out: Stepping Stones Toward a New Maritime Strategy", China Strategic Perspectives # 9, NDU Press, Washington, D.C., 2015, p. 10.

¹⁹ Ibid.

intermediate joint campaign will have a two-tier campaign command structure, and a group army-scale joint campaign, the smallest will have a single tier command structure.”²⁰

When specifically applied to Taiwan, presumably the largest scale of the joint campaigns noted above, “[t]he three-tier joint command structure clearly is the most involved. It will usually include not only war zone and Service command staff, but also, when necessary, senior leadership elements from the central government and the General Staff, in its highest tier.”²¹ According to Zhanyixue, “[t]he joint campaign command section is the highest level command structure for campaigns and receives direction from the senior leadership.” The second tier, according to Cheng, “will either be a war zone direction command section, or a service campaign command section, drawn from the relevant staff. Finally, the lowest tier of the three-tier joint command structure will be the campaign-level juntuan command section, which may be drawn from the leading Service’s campaign juntuan command section.”²²

On the specific subject of command and coordination of joint forces, Cheng notes that according to Zhanyixue “[c]oordination...can therefore be undertaken in three ways: by mission, by phasing, and by involved battle-space...when undertaking joint campaign coordination by mission, it is essential to first determine the goal of the campaign. Once that is accomplished, missions necessary to achieve those goals can be determined and available forces applied against those missions. In the process of assigning forces, who is supporting whom needs to be determined, as well as which missions need to have priority.” He observes further that according to Zhanyixue, “[w]hen undertaking joint campaign coordination by phasing, it is necessary to first map out the campaign’s phases, then determine the missions of each of the participating forces for each phase...It is possible, depending on the phasing that a given Service or force will go from supporting to dominant role, or vice versa. The most attention must be paid to the transitional period between phases, since this is the most vulnerable period.”²³ Lastly, “if undertaking joint campaign coordination by battle-space, each participating Service is given specific operational spaces that are its responsibility. It is presumed that such assignments will exploit the relative strengths of each participating Service, while minimizing their respective weaknesses. This is undertaken after due consideration of overall campaign timing, battle-space, and missions. Special effort must be made to insure that the various participating forces don’t interfere with each other. Moreover, priority per battle-space must be assigned based on the campaign’s ends rather than Service interests.”²⁴

Zhanyixue and the analysts which make ample use of it sheds some important light on how the PLA is looking at management of joint campaigns of the largest scales. In general, the U.S. military’s management of joint operations has coordinated and de-conflicted joint forces with

²⁰ Dean Cheng, “Zhanyixue and Joint Campaigns” in Mulvenon and Finkelstein, eds., *China’s Revolution in Doctrinal Affairs: Emerging Trends in the Operational Art of the Chinese People’s Liberation Army*, RAND, Santa Monica, CA, 2010, p. 107.

²¹ Ibid.

²² Ibid, pp. 107-8

²³ Ibid, p. 109

²⁴ Ibid, pp. 109-10

procedures noted above (e.g., by mission, by phasing, by battle-space). Nonetheless, the U.S. experience with the difficulties of “jointness” highlights that the above description of PLA thinking on joint force management, generates as many questions as it does answers. Within the context of a Taiwan contingency, a number of other areas of attention will need to be addressed by the PLA if it expects to be able to carry out a truly seamless, joint military operation in a Taiwan contingency. The first of these is the development of joint theater management beyond what Zhanyixue describes as the process of joint force management. How specifically would the Eastern Theater Command jointly manage this rather large force? The ETC may serve as a joint warfighter and the establishment of a joint warfighting staff is the objective on paper, however, how would the ETC manage all of the joint operational functions? Through joint component commanders such as a Joint Force Land Component Commander (JFLCC), a Joint Force Air Component Commander (JFACC) or a Joint Maritime Component Commander (JFMCC)? At present there is no evidence that the PLA intends to fight this way. If that concept is considered far too ambitious for the PLA, the force could be managed through the creation of Service Warfighting staffs. In the case of the PLA Navy forces, is it to be expected that the navy theater service component which has now been stood up in peacetime, is also expected to shift to a warfighting Naval Component Command or NAVFOR? The 2016 joint reforms (discussed below) call for the creation of a PLA Navy Eastern Theater component staff which is responsible for providing day-to-day Service expertise to the ETC during peacetime. Does this staff automatically become the NAVFOR which serves as the warfighting naval staff which coordinates the forces of the East Sea Fleet and those of the South Sea Fleet in wartime? Similar questions pertain to the theater management of the other services within the ETC.

PLA Reforms and the Taiwan Contingency

In early 2016 the Chinese military announced the details of the long-awaited joint military reforms originally announced at the 18th Party Congress. The specific details of those reforms are described elsewhere.²⁵ Suffice it to say that the content of the reforms suggest two objectives for the reforms: (1) asserting greater political control of the Party over the PLA; and (2) enhancing PLA joint warfighting effectiveness. The former is illustrated by the elimination of the PLA’s general departments—the General Staff Department, the General Political Department, the General Logistics Department, and the General Armaments Department. This move can arguably be said to have removed a bureaucratic layer between Party decision-makers and the PLA commands in theater and which the Party has itself stated allowed for the PLA high command to build its own fiefdoms. Additionally, the reforms reinvigorated Party monitoring and inspection functions which strengthened CCP oversight of the military as a whole. The

²⁵ David Finkelstein, “Initial Thoughts on the Reorganization and Reform of the PLA”, CNA, Arlington, Va., January 15, 2016 as found in https://www.cna.org/cna_files/pdf/DOP-2016-U-012560-Final.pdf; also see Phillip Saunders and Joel Wuthnow, “China’s Goldwater-Nichols?: Assessing PLA Organizational Reforms”, Strategic Forum, NDU Press, Washington, D.C., April 2016 as found in <http://inss.ndu.edu/Portals/68/Documents/stratforum/SF-294.pdf>

second objective of the reforms, which is of greater interest to this testimony is illustrated by: the dismantlement of the seven Military Regions or MRs and the creation of five Joint Theater Commands; the above mentioned elimination of the General Departments (essentially a demotion of the Army) and the creation of a PLA Army Staff (the functional equivalent of the PLA Navy, PLA Air Force staffs); the creation of theater Service component commands; the elevation of a non-ground force flag officer—a PLAN Admiral-- to the Commander of the Southern Theater Command (as opposed to the old MR system in which all MR commanders had been Army Ground forces general officers); the stated intent of staffing the Joint Theater Commands with joint personnel; and the creation of Joint Operations Coordination Centers (JOCC) to allow the Central Military Commission to actually exercise joint command and control over PLA forces.

Other analysts have tackled the subject of how the joint reforms and the PLA reorganization enhances PLA joint warfighting capabilities, particularly in a Taiwan and South China Sea context. To summarize the work that Joel Wuthnow of National Defense University has written on the subject, the reforms enhance PLA joint warfighting effectiveness in the following areas: (1) it creates a standing joint headquarters with existing infrastructure, operational procedures and personnel in place to take up a massive joint effort that a Taiwan contingency would demand. Under the former system there would have inevitably been a disruption in operations as the PLA transitioned from a peacetime MR to a Warfighting Zone; (2) with a standing headquarters in place along with a dedicated joint staff comprised of members of the other services, the Joint theater commander could actually engage in bona fide joint planning to tackle anticipated joint operations; (3) with a joint planning process in place, the theater commanders could more effectively identify gaps in joint operations. Although not noted by Wuthnow, this improvement is made even more effective with the establishment of theater component staffs who could serve as more in-depth subject matter experts on the requirements and operational needs of the separate services; (4) the creation of a Joint Staff Division within the Central Military Commission and a Joint Operations Center (JOC) designed to coordinate across Joint Theaters, the link between theater and center will have been enhanced as well as the quality of the joint coordination since, presumably, the JOC and JSD will have been staffed by joint personnel who actually know about joint operations.²⁶

While these initiatives unquestionably will improve the PLA's joint warfighting effectiveness when they have been fully implemented within the PLA, analysts like Wuthnow have correctly identified other issue areas which will need to be improved if the PLA hopes to become a truly joint warfighting force. Specific areas requiring attention are: (1) the lingering effects of an Army dominated system and whether Army parochialism and favoritism will have a negative

²⁶ Joel Wuthnow, "A Brave New World for Chinese Joint Operations" in China and the World Program Website March 3, 2017, as found in <https://cwp.princeton.edu/news/%E2%80%98brave-new-world-chinese-joint-operations%E2%80%99-cwp-fellow-joel-wuthnow>

impact on the effectiveness of a joint system; (2) the lack of combat experience for virtually the entire operating forces, and; (3) the apparent continuing gap between the training and interoperability of the Strategic Rocket Forces and their conventional service counterparts remains an obstacle to truly joint and integrated operations.²⁷ Add to this list the need for continued reform of the personnel and ranking system to match the PLA's traditional process of promotion and personnel management with the evolving needs of a system that is more joint oriented.

PLA Planning and Thoughts on the Aftermath of a Taiwan Invasion

A truly under-examined subject is the “day after” a successful PLA assault on Taiwan, and what factors the PLA has probably considered in thinking about the military requirements to stabilize the political situation on the island once the PLA has successfully accomplished its mission. First, it needs to be said that if the PLA has undertaken a full-scale assault on Taiwan, then it is obvious that the political process between the PRC and Taiwan has broken down and that Taiwan has offered sufficient resistance and resiliency to prompt a military reaction from China. That suggests the possibility that the Taiwan population and the Taiwan military has put up a stiff enough resistance that the PLA will need to account for the possibility of an insurgency campaign against its occupying force. Given the geography of Taiwan it is very conceivable that Taiwan Special Forces can take to the mountains ringing the coastlines of the island and lead an effective insurgency with popular support. The PLA, having successfully established a beachhead and presumably after having seized ports and airports, would necessarily have to fight their way into the interior of the country to get to Taipei and other important cities on the island. Assuming that the PLA has successfully done this, they will then possibly have to turn to a protracted insurgency campaign.²⁸ One assessment of a post-invasion PLA requirement to garrison Taiwan argued that the number of troops would be in the tens of thousands and that an active counter-insurgency force in Taiwan could require hundreds of thousands of soldiers and paramilitary forces.²⁹ It also needs to be recalled that if a full scale Chinese attack on Taiwan has taken place, a considerable amount of infrastructure destruction and damage will also have taken place, as well as a huge number of casualties both military and civilian. Therefore, the Chinese will not only have to manage a counter-insurgency, it will also have a not insignificant amount of nation rebuilding to undertake as well.

Conclusion

The aftermath of a PLA full scale attack on Taiwan paints a grim picture. Not only will this involve a huge loss of life and destruction of Taiwan private property and infrastructure, there

²⁷ Ibid.

²⁸ Indeed some U.S. analyses have strongly recommended that the Taiwan military seriously look into preparing for such a campaign as a deterrent tool directed at Beijing. See Thomas, Stillion and Rehman, “Hard ROC 2.0: Taiwan and Deterrence Through Protraction”, Center for Strategic and Budgetary Assessments, Washington, D.C., 2014 as found in http://csbaonline.org/uploads/documents/2014-10-01_CSBA-TaiwanReport-1.pdf

²⁹ Wang Mouzhou, “What Happens After China Invades Taiwan?” in The Diplomat, March 24, 2017 as found in <http://thediplomat.com/2017/03/what-happens-after-china-invades-taiwan/>

will undoubtedly be a significant negative impact on the economies of the PRC, on the United States and on the World Economy. Additionally, it will surely be the case that China's international and regional reputation will be in tatters, and China's place in the global economy will have been irreparably altered. For this reason, the testimony of this analyst is that the Chinese Communist Party will very reluctantly pursue a path to conflict. It is more likely to pursue a gradual erosion of the barriers in Taiwan to political integration with the PRC, and an eventual strategic situation in which the United States finds itself unable or unwilling to militarily respond to a Taiwan crisis.

That said, the PLA must be prepared to answer the call to arms if the CCP deems it necessary for regime survival or to counter a perceived significant threat to China's sovereignty. Before a full scale assault is undertaken, however, the PLA will undertake a long-term campaign of coercion against Taiwan to include extensive political warfare campaigns, cyber attacks, espionage, military demonstrations, in conjunction with other whole of government coercive efforts by the PRC (e.g., economic coercion, diplomatic pressure on Taiwan's remaining allies).

If all of these actions fail, the PRC is likely to undertake military measures short of a large scale attack such as interception of shipping heading to Taiwan, and a range of increasingly hostile blockade options. It needs to be pointed out that as these options fail, international and especially U.S. reactions are likely to be particularly hostile, and could involve the pursuit of negative policies directed at the PRC (e.g., an enhanced arms sale or direct military support to Taiwan). These in turn could escalate the crisis and threaten CCP survivability even more. It is at this point that the Chinese leadership might decide to undertake a full-scale attack on the island.

The PLA at present lacks the amphibious lift to directly assault the island and successfully establish a beachhead for follow on operations on the island itself. For the PLA to successfully attack the island it must rely on the successful seizure of ports and airports for the purposes of flowing in follow-on forces for subsequent operations on Taiwan. A successful joint campaign against Taiwan also requires that the PLA master the intricacies of managing joint operations. At present we have little information on the specifics of how the PLA will manage joint land, air and maritime campaigns, but it is certainly the case that with the 2016 military reforms the PLA will be in a much better position to conduct such an operation. Additionally, a significant number of China defense analysts believe that the 2016 military reforms will be a long-term effort which could take decades to come to fruition.

Nonetheless, it is clear that with continued PLA modernization, a relentless effort to refine and improve joint warfighting procedures, continuous improvement in PLA training techniques including the application of advanced technology simulations to enhance training realism, refinements in individual Services warfighting functions, and a military culture that seems eager to learn and improve, within two decades the PLA will most likely enjoy dominance over its

Taiwan counterparts and will have significantly eroded any decisive military advantages the United States enjoys over the PLA at present.

**OPENING STATEMENT OF IAN EASTON
RESEARCH FELLOW PROJECT 2049 INSTITUTE**

VICE CHAIRMAN SHEA: Okay. Thank you, Doctor.

Mr. Easton.

MR. EASTON: Vice Chairman Shea, Senator Goodwin, and members of the U.S.-China Economic and Security Review Commission, thank you for the opportunity to participate in this hearing today.

The potential for conflict in the South China Sea is a topic that is of great importance to American interests and to peace and stability in the Asia-Pacific region.

The principal external mission of the People's Liberation Army, the PLA, is to plan and to prepare for the future invasion of Taiwan, while simultaneously planning and preparing for either deterring or, if deterrence fails, delaying American-led coalition forces from coming to Taiwan's defense.

Next in terms of priority for the PLA appears to be the mission of preparing for a major border war, especially with India. Traditionally, a military campaign against Vietnam or the Philippines in the South China Sea has been regarded as possible but less stressful. Nonetheless, the probability of conflict in this area is on the rise. And it is important to think through what such a conflict might look like if it was to occur.

Available PLA writings express the view that a military campaign against Vietnam or the Philippines would represent a relatively easy, low-to-medium scale conflict. They do not appear to anticipate this as a trigger for all-out great power war with the United States although they do seem to anticipate for some limited levels of escalation.

PLA writings portray the United States as a hostile force, as a, quote-unquote, "strong enemy," with no legitimate right to have a presence in the South China Sea. Accordingly, Beijing appears to have the intention of gradually driving the U.S. out of the area, principally using military coercion tactics but also by using political and economic pressure.

Limited combat operations against Vietnam or the Philippines would be one part of this broader strategic effort.

Based on those Chinese sources we currently have access to, the PLA would probably design the attack to unfold in three distinct phases of operations. The first phase would be a blockade and bombardment phase. The second phase would be the actual amphibious assaults on the targeted islands. The third phase would be island occupation operations.

In practice, what this would mean is that the war would begin with a rapid sudden deployment of Chinese naval and air force assets to strike the targeted islands.

The intentions of the strikes would be to cut off their communications, sever their logistics lines, to suppress their air defenses, and also to sink any nearby ships that they may have.

Once the islands had been judged as having been sufficiently softened up for the actual amphibious assault, the amphibious assault groups would go in under cover of ship and air fires. They would likely land at multiple points and quickly drive inland to achieve their tactical objectives.

In the event of larger islands, it's also possible that the PLA may conduct air assaults on

the islands, probably landing special operations forces on the island airstrips using helicopters.

Once the targeted islands have been cleared of defenders, they would be rapidly built up to withstand potential counterattacks organized by the armed forces of the Philippines or Vietnam, potentially in concert with U.S. forces. The most probable sea lines of approach, at least from the Chinese perspective, would be sowed with sea mines and patrolled with submarines. Air defense batteries would probably be landed on the captured islands and fighter jets would conduct combat air patrols to provide overhead cover.

Defensive infrastructure on occupied islands would be repaired and refurbished to protect against counter-invasion.

Now available sources do not discuss what would happen to the Vietnamese or Filipino forces who are captured, both civilian and military. However, there are, of course, several options, which would be available to the Chinese. They could organize them into labor teams, needed for repairing battle damage; they could keep them on the islands in makeshift prisoner of war camps or locked aboard ships anchored nearby offshore. They could also transport them to prisons or to labor camps in mainland China.

One internal PLA source discusses the possibility of American intervention in the South China Sea in this specific contingency. And the source advocates for using air force bombers to launch long-range cruise missile attacks on Guam in reprisal. The source states that missile strikes of this nature would be intended to deter the U.S. from further intervening in the local conflict while at the same time destroying forward deployed American forces.

However, of course, it seems far more likely that aggression of this nature would ignite potentially a much larger war, something that the Chinese have stated that they would seek to avoid in this contingency.

In conclusion, the United States has not yet responded to recent Chinese provocations in the South China Sea in a manner that is likely to maintain American interests in regional peace and stability.

China's expansionism and its militarism in this area are destabilizing. If nothing major changes, if Washington stays on its current path, China could soon be in a position to dominate the South China Sea and to undermine the current American-led regional order. Fortunately, there are several opportunities and options available to Congress and to the new Trump administration to consider. These could help offset some of, if not much of, the damage that China has already done.

First, the United States government, at least in my view, should increase and continue to increase its presence and its engagement with the countries affected by China's behavior, and this should be funded by Congress.

Second, Congress should greatly increase funding for security assistance to the Philippines in particular.

Third, Congress should fund the construction of additional U.S. submarines, destroyers, stealth fighters and bombers, long-range missiles and theater ballistic missile defenses. Congress should also provide the resources needed for the services to increase their readiness levels in the Asia-Pacific.

Fourth, Congress should advise the Trump administration not to invite China to the next Rim of the Pacific, or RIMPAC, multinational maritime exercises in Hawaii. It should be the

policy of the United States to make sure that bad behavior is not rewarded but rather punished. Reconsidering bilateral defense contacts would be one aspect of a broader policy review.

Thank you.

VICE CHAIRMAN SHEA: Thank you, Mr. Easton.

**PREPARED STATEMENT OF IAN EASTON
RESEARCH FELLOW PROJECT 2049 INSTITUTE**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

Vice Chairman Shea, Senator Goodwin, and members of the U.S.-China Economic and Security Review Commission, thank you for the opportunity to participate in this hearing. The potential for conflict in the South China Sea is a topic that is of great importance to American interests and peace and stability in the Asia-Pacific region. Chinese military theory and operational plans for this and other scenarios merit far greater public attention than they have in the past received. National leaders in Washington oftentimes must think tragically and prepare for the worst in order to prevent tragedy from happening.

The People's Liberation Army (PLA) is the armed wing of the Chinese Communist Party (CCP) and the ultimate guarantor of the CCP's hold on absolute political power in China. The principal external mission of the PLA is to plan and prepare for the invasion of Taiwan, while simultaneously deterring or delaying American-led coalition forces from coming to Taiwan's defense. Next in terms of priority for the PLA appears to be the mission of preparing for a major border war, especially with India.¹ A military campaign against Vietnam or the Philippines in the South China Sea has traditionally been regarded as possible, but less stressful. Nonetheless, the probability of conflict in the South China Sea is on the rise. It is important to think through what such a conflict might look like if it was to occur.²

Detailed Chinese writings on this scenario are relatively sparse, probably in reflection of its low-level of planning priority and the perceived weakness of imagined local enemies.³ Available PLA writings express the view that a military campaign against Vietnam or the Philippines would represent a relatively easy, low-to-medium scale conflict. They do not appear to envision this as a trigger for all-out great power conflict, although they do seem to anticipate and plan for some

¹ This assertion is supported by a large number of PLA writings, which appear to be either authoritative or indicative of official doctrine. For example, see Cao Zhengrong, Sun Longhai, and Yang Yin (eds.), *Informatized Army Operations* [信息化陆军作战] (Beijing: National Defense University Press, 2015); *The Science of Military Strategy* [战略学] (Beijing: Academy of Military Sciences, 2013); and Cao Zhengrong, Wu Runbo, and Sun Jianjun (eds.), *Informatized Joint Operations* [信息化联合作战] (Beijing: Liberation Army Press, 2008).

² For important historical context, see Toshi Yoshihara, "The 1974 Paracels Sea Battle: A Campaign Appraisal," *Naval War College Review*, Spring 2016, Vol. 69, No. 2, pp. 41-65, at <https://www.usnwc.edu/getattachment/7b5ec8a0-cc48-4d9b-b558-a4f1cf92e7b8/The1974ParacelsSeaBattle.aspx>.

³ For a good sense of the PLA's priorities, see *Science of Military Strategy* [战略学] (Beijing: Academy of Military Sciences, 2013), pp. 198-236; and Zhang Yuliang (ed.), *Science of Campaigns* [战役学] (Beijing: National Defense University Press, 2007), pp. 503-506.

escalation.⁴

PLA writings portray the United States as a hostile force or "Strong Enemy" with no legitimate right to have a military presence in the South China Sea.⁵ Accordingly, Beijing appears to have the intention of gradually driving the U.S. out of the area using military coercion tactics, in addition to political and economic pressure. Limited combat operations against Vietnam or the Philippines would be one part of this broader strategic effort.

Chinese military writings have emphasized several operational challenges facing PLA war planners in the South China Sea. These include their own perceived weakness in the areas of command and control, intelligence, air defense, and logistics support.⁶ Military facilities currently under construction in the Spratly Islands appear to be intended to improve upon these weaknesses. Once completed, they will significantly increase the ease with which the PLA could seize islands garrisoned by Vietnamese or Filipino forces, making use of force a more tempting option and conflict more likely. China's construction of these bases is strategically destabilizing.

China's War Plan

Any attempt to predict the future should be considered a risky and speculative endeavor. It is nonetheless imperative to plan and to prepare for known, but highly uncertain, possibilities. Based on those Chinese sources we currently have access to, how might the PLA unfold a military campaign against Vietnam or the Philippines?

In the notional event that the CCP Politburo Standing Committee and the Central Military Commission in Beijing ordered the PLA to launch a military campaign to storm islands controlled by Vietnam or the Philippines, such a campaign would likely be designed to serve clear political goals. The most probable goal would be to extend China's domination of the South China Sea, while undermining the influence and prestige of the United States. An important and related secondary goal would be to erode the confidence and morale of local Southeast Asian governments, making them more likely to submit to future Chinese encroachments.

The PLA would probably design the attack to unfold in three distinct phases of operations, which would be intended to play out before the U.S. could deploy significant forces to oppose the island offensive. This would allow China to change the facts on the ground while avoiding a major war. The first phase would be island blockade and bombardment operations. The second phase would be amphibious assault operations. The third phase would be island occupation operations.⁷ Each of these phases of operations is briefly described below.

⁴ Zhu Hui (ed.), *Research on Strategic Air Force Problems* [空军战略问题研究] (Beijing: Lantian Press, 2014), p. 264. Note that Lantian "Blue Sky" Press is the official publishing house of the PLA Air Force. Note also that this book was printed at the PLA Air Force Command College in Beijing.

⁵ Zhu Hui (ed.), pp. 263-264; and Zhang Yuliang (ed.), pp. 503-506.

⁶ Ibid.

⁷ Ibid.

Blockade and Bombardment

PLA island landing doctrine calls for executing surprise attacks to quickly seize control over the local electromagnetic, air, and sea domains at the outset of conflict to gain the operational initiative. In practice, this means that the opening acts of war would be the sudden, rapid deployment of naval and air force assets to encircle and strike targeted Vietnamese or Filipino-controlled islands. The objective would be to swiftly isolate defense forces by cutting off their communications networks and supply lines, while simultaneously suppressing their air defenses and sinking their ships.⁸

Amphibious Assault

Once targeted island garrisons had been sufficiently softened up for invasion, amphibious assault groups would storm ashore under cover of ship and air fires.⁹ Chinese studies indicate that each marine battalion would be notionally supported by four attack helicopters.¹⁰ Assault groups would likely land at multiple points and quickly fight inland to secure their tactical objectives, which would include command and control centers, air defense sites, and artillery positions. For larger islands, the PLA may conduct air assaults to land special operations forces on island airstrips (or other open landing zones, if available) using helicopters. It is also theoretically possible that airborne assaults might be conducted to land paratroopers. Air or airborne assaults would most likely occur in the early morning hours, just prior to amphibious landings. They would be intended to neutralize key targets and sow confusion behind enemy lines.¹¹

Island Occupation

The targeted islands would be cleared of defenders and rapidly built up to withstand potential counterattacks organized by the armed forces of Vietnam or the Philippines, potentially in concert with U.S. forces. The most probable sea lines of approach would be sowed with sea mines and patrolled with submarines to intercept any counterattacking naval forces. Air defense batteries would probably be landed on the targeted islands, and fighter jets would conduct combat air patrols to provide overhead cover. Defensive infrastructure on occupied islands would be repaired and refurbished to protect against counter invasion.¹²

⁸ Zhang Yuliang (ed.), pp. 505-506.

⁹ Ibid.

¹⁰ See Jia Ziyang, Chen Songhui, and Wen Rui, "Analysis of Troop Unit Effectiveness During Systemized Landing Operations Based on Data Field (基于数据场的登陆作战体系兵力编组效能分析)," *Zhihui Kongzhi yu Fangzhen* (Command Control & Simulation Journal), Vol. 36, No. 6, December 2014, pp. 92-95; and Wang Yinlai, Chen Songhui, and Jia Ziyang, "Analysis of Troops Unit Effectiveness During Landing Operations Based on Complex Networks (基于复杂网络的登陆作战兵力编组效能分析)," *Huoli yu Zhihu Kongzhi* (Fire Control & Command Control Journal), Vol. 39, No. 8, August 2014, pp. 87-90.

¹¹ For a good sense of PLA air assault doctrine as it applies to small islands, see Zhang Zhiwei and Huang Chuanxian (eds.), *Research on Army Aviation Troop Operations Theory* [陆军航空兵作战理论研究] (Beijing: National Defense University Press, 2014), pp. 105-135.

¹² Zhang Yuliang (ed.), pp. 505-506.

It seems likely that martial law would be declared on the occupied islands. Available sources do not discuss what would happen to the Vietnamese or Filipino personnel (both military and civilian) who were captured. However, there are several options which would be available to the Chinese. They could organize them into labor teams, needed for repairing battle damage, keep them on the islands in makeshift prisoner of war camps, or lock them aboard nearby ships offshore. They could also transport them to a Chinese-controlled island elsewhere in the South China Sea, or to prisons or labor camps in mainland China.

It seems likely that the Chinese authorities would use captured personnel to maximize political leverage. Prisoners might be quickly returned to their home country in return for political and military gestures of restraint, or to signal the de-escalation or cessation of hostilities. As an alternative, prisoners of war might be kept for an indefinite period of time and used as bargaining chips in prolonged political negotiations.

One internal PLA source discusses the possibility of American intervention in the South China Sea and advocates for using air force bombers to launch long-range cruise missile attacks on Guam in reprisal. The PLA Rocket Force in this scenario could conduct medium and intermediate range missile strikes on American and Japanese naval facilities and air bases using conventional (not nuclear) warheads. The source states that missile strikes would be intended to deter the U.S. from further intervening in the local conflict, while at the same time destroying forward deployed forces.¹³ However, it seems far more likely that aggression of this nature would ignite a much larger great power war.

Indications and Warning

As is often the case, the outcome of this scenario is very sensitive to warning time. A key question to consider is how far in advance the U.S. and its allies and partners might know the PLA was about to launch an attack, and what they might do with that information. Indications and warning is the art of avoiding surprise and judging when a crisis or conflict is coming. According to a seminal work on the subject, *Anticipating Surprise*, written by an American intelligence expert, Cynthia Grabo, an indicator is something the adversary (in this case China) is known or expected to have to do in preparation for hostilities.¹⁴

Strategic warning, according to Ms. Grabo, is more long-term in nature and can be issued well in advance of attack. Strategic warning would come "if a large-scale deployment of forces is under way, or the adversary has made known his political commitment to some course of action involving the use of force." This type of warning "may be possible only when enemy action is imminent, but it also may be possible long before that."¹⁵ Strategic warnings are generally issued to national-

¹³ Zhu Hui (ed.), p. 266.

¹⁴ Cynthia M. Grabo, *Anticipating Surprise: Analysis for Strategic Warning* (Washington, D.C.: Defense Intelligence Agency, 2002), pp. 3-4, available online at http://www.ni-u.edu/ni_press/pdf/Anticipating_Surprise_Analysis.pdf.

¹⁵ Ibid.

level leaders such as presidents and prime ministers. Tactical warning, on the other hand, is more of an operational concern, and something available to generals with access to radar pictures and other sensor networks that provide timely indications that an enemy attack is under way.¹⁶

According to PLA writings, amphibious landing exercises would be conducted by the units which were about to go into combat. These exercises would be as realistic and difficult as possible. Intelligence gathering operations against both the targeted islands and U.S. forces in the region would surge.¹⁷ Patrols with intelligence gathering aircraft, drones, ships, and submarines would almost certainly become much more frequent and invasive. In addition to technical intelligence capabilities, satellites might conduct orbital maneuvers to provide greater coverage, and reserve satellites might be launched with little warning.

Naval (including marine) and air force units would mobilize and deploy to staging areas on Hainan Island, the Paracel Islands, and the Spratly Islands. To prepare for possible U.S. intervention, PLA Rocket Force units may move from their garrisons to prepared launching grounds in the mountain valleys of Southeastern China. It should further be expected that maritime militia units may be mobilized and deployed to forward operating areas in the Spratly Islands to support the coming operations.¹⁸ Additional indicators would be the stockpiling of supplies and the movement of key CCP/PLA leaders from Beijing to PLA command posts in the South China Sea area.

According to PLA writings, deception operations would be conducted to hide China's strategic intentions and operational and tactical plans. Pre-war preparations would take place in an environment of strict secrecy.¹⁹ It should be expected that diplomatic, people-to-people, and media messaging channels would be used to lower the targeted countries' sense of impending danger. Voices expressing concern or alarm in Washington, Tokyo, Hanoi, and/or Manila would be drowned out or discredited and minimized through the application of political warfare tactics. It is highly likely that China would attempt to launch the attack with minimal or no warning. To maintain the element of surprise, the PLA may seek to limit the number of forces mobilized and deployed to the area. It is likely to disguise other preparations as part of routine exercises.

Theater Assets

¹⁶ Ibid.

¹⁷ Zhang Yuliang (ed.), pp. 504-505.

¹⁸ For an excellent study on China's maritime militia, see Conner M. Kennedy and Andrew S. Erickson, "China's Third Sea Force, The People's Armed Forces Maritime Militia: Tethered to the PLA," *China Maritime Report*, No. 1, (March 2017), at http://www.andrewerickson.com/wp-content/uploads/2017/03/Naval-War-College_CMSI_China-Maritime-Report_No-1_People%E2%80%99s-Armed-Forces-Maritime-Militia-Tethered-to-the-PLA_Kennedy-Erickson_201703.pdf. For important additional readings, see the authors', "Hainan's Maritime Militia: China Builds a Standing Vanguard, Pt. 1," *Center for International Maritime Security*, March 26, 2017, at <http://www.andrewerickson.com/2017/03/hainans-maritime-militia-china-builds-a-standing-vanguard-pt-1/>; and

Andrew S. Erickson and Conner M. Kennedy, "China's Maritime Militia," *CNA Corporation*, March 7, 2016, at <http://www.andrewerickson.com/2016/03/chinas-maritime-militia-our-most-extensive-detailed-analysis-yet/>.

¹⁹ Zhang Yuliang (ed.), p. 504.

Distinguished PLA expert, Roger Cliff, provides us with the best available order of battle for 2020. In his book, *China's Military Power*, Dr. Cliff anticipates that the PLA could deploy one aircraft carrier and 80 percent of its local naval and air forces. These would be supplemented by Chinese military forces from other theaters, as needed. He envisions a high-end, simultaneous attack on the nine islands and reefs occupied by the Philippines. In this scenario, China would employ its two Marine brigades, embarking them aboard two flat-deck amphibious assault ships and 27 smaller landing ships. These would be supported by a notional task force of eight destroyers, 13 frigates, 18 missile fast attack craft, 14 attack submarines, approximately 250 fighter jets, and 24 medium bombers. Operating in a supporting role might be 18 ballistic missile launchers with reloads, for a total of 108 missiles.²⁰

Depending on the assumptions one used, the attacking task force could be considerably smaller than the one Dr. Cliff envisions, especially if the objectives of the campaign were more limited in scope and surprise was the priority. Conversely, the PLA's future objectives may be more ambitious than previously anticipated, and the task force could be much larger, especially once out-of-theater assets, maritime militia, and coast guard units were included. By 2020, the PLA will almost certainly have sufficient infrastructure in the Spratly Islands to accommodate Air Force paratrooper and/or Army helicopter assault units, which could support amphibious attacks. A high-end future campaign in the South China Sea might provide the local commander with the assets listed in Table 1.

Theater Command and Control

The PLA's Southern Theater Command in Guangzhou is likely to receive support from the Eastern Theater Command in Nanjing, and possibly other theater commands, if the campaign becomes a prolonged operation against U.S. forces. Such support would include naval ships and submarines and air force fighters and bombers. The Southern Theater Command may also receive support from the Rocket Force, in the form of ballistic missiles and cruise missiles, and the Strategic Support Force, in the form of space assets and electronic/cyber warfare assets.

To de-conflict any overlapping responsibilities that may arise, it seems possible that the CCP Politburo Standing Committee and Central Military Commission may appoint senior officials in Beijing and attach them to theater and forward command posts in Guangzhou, Zhanjiang, and aboard forward deployed flagships. To the extent communications channels allowed, it seems probable that the General Secretary of the CCP, Xi Jinping, and his top political advisors, would attempt to micro-manage operations. Nonetheless, as is typical practice in authoritarian systems, lines of responsibility in the PLA at the operational level might be kept vague and subject to interpretation. A speculative assessment suggests this practice would be used to control escalation and protect the top leadership from political fallout in the event of military defeat.

The PLA's ongoing reform and reorganization effort to build a smaller, joint force will probably

²⁰ Roger Cliff, *China's Military Power: Assessing Current and Future Capabilities* (New York: Cambridge University Press, 2015), pp. 225-227.

not have a major impact on this scenario unless the U.S. intervened and it escalated into a major war. According to Chinese military writings, a campaign against Vietnam or the Philippines in the South China Sea would be designed as a small-to-medium scale naval campaign, not a far more stressful joint campaign.²¹ The Chinese military reform program appears to be driven by internal factors. To the extent that there is an external objective, that objective is almost certainly preparing for a future invasion of Taiwan. Nonetheless, future joint capabilities developed with Taiwan in mind could make attacks on islands and coral reefs in the South China Sea less difficult.

Vietnam or Philippines?

From the Chinese perspective, islands controlled by Vietnam and the Philippines represent tempting targets. Tactically speaking, Vietnamese islands may appear better defended, but Hanoi, unlike Manila, has little hope of receiving direct U.S. military support. Vietnam is therefore in a much weaker position strategically. However, any naval operation launched against Vietnamese islands could theoretically escalate and turn into a major border conflict. The outcome of a modern land war along the Sino-Vietnamese border is difficult to predict. Memories of the 1979 conflict may convince Chinese leaders to avoid such an eventuality, but there may be some in the PLA who want to settle an old score.

On the other hand, it may be judged in Beijing that a successful campaign against an island or islands held by the Philippines could have outsized strategic effects, since such a campaign would be interpreted as having falsified a U.S. treaty commitment. If Washington failed to satisfy its perceived treaty obligations to Manila in the South China Sea, the likely impact would be serious. Tokyo, Seoul, and Taipei would undoubtedly become convinced that they could easily become the next one to be "sold-out" by Washington. According to the Commander of the Pacific Command, Admiral Harry Harris, China's objective is to become a regional hegemon.²² As such, undermining the prestige and influence of the U.S. along China's maritime littoral is a key foreign policy goal. It seems likely that the Philippines, not Vietnam, will be China's main target in the South China Sea. Nonetheless, both are at risk of attack, and the risk is rising rapidly as China builds up its military bases in the Paracel and Spratly Islands.

Recommendations

The United States has not yet responded to recent Chinese provocations in the South China Sea in a manner that is likely to maintain American interests in regional peace and stability. China's expansionism and militarism are destabilizing. If nothing major changes, if Washington continues on its current path, China could soon be in a position to dominate the South China Sea and undermine the current American-led regional order. Fortunately, there are several options available for Congress and the Trump Administration to consider, which could help offset much of the

²¹ Zhu Hui (ed.), p. 264; and Zhang Yuliang (ed.), pp. 503-506.

²² Matthew Pennington, "US-China tensions persist despite progress on NKorea," *Associated Press*, February 23, 2016, at <http://bigstory.ap.org/article/4e0a8c6d263d4aad897fb5464d4f1f72/top-diplomats-meet-fraught-time-between-us-china>.

damage China has done.

First, the United States government should increase its presence and its engagement with countries affected by China's behavior, to include Brunei, Indonesia, Malaysia, the Philippines, Taiwan, and Vietnam. Strategic and economic dialogues, and nongovernmental people-to-people exchange mechanisms, should be established with these countries and funded by Congress. Naval ship visits, bilateral and multilateral exercises, and related programs should be expanded.

Second, Congress should greatly increase funding for security assistance to the Philippines. The current level of funding, despite recent increases, is still woefully inadequate. Dual-use infrastructure investments into airfields, ports, roads, and radars should be expanded. It is imperative that Manila is made less vulnerable to Chinese coercion.

Third, Congress should fund the construction of additional U.S. submarines, destroyers, stealth fighters, stealth bombers, long range missiles, and theater ballistic missile defense systems. Congress should also provide the resources needed for the services to increase their readiness levels in the Asia-Pacific.

Fourth, Congress should advise the Trump administration to not invite China to the next Rim of the Pacific (RIMPAC) multinational maritime exercise in Hawaii. In addition, Congress should ensure that strict limits are maintained in senior-level official trips to China, navy ship visits, and other military-to-military exchanges with China, pursuant to the spirit of the National Defense Authorization Act for Fiscal Year 2000. It should be the policy of the United States to develop a cost imposing strategy specific to China, making sure that bad behavior is not rewarded, but rather punished. Reconsidering bilateral defense contacts should be one aspect of a broader policy review.

Many other instruments of statecraft are available to oppose and delegitimize the CCP's actions in the South China Sea. Individually, the four recommendations above would have important and positive, but limited, effects. Taken collectively alongside other actions, they could help mitigate rising risks of conflict and better ensure peace and stability in the South China Sea.

TABLE 1: Main Force Assets Immediately Available to PLA Commander for South China Sea Campaign in 2020*		
<i>Unit (Home Garrison)</i>	<i>Composition</i>	<i>Number</i>
41st Group Army (Liuzhou, Guangxi)	Mountain Infantry Brigade, Mechanized Infantry Division, Mechanized Infantry Brigade, Armored Brigade, Artillery Brigade Air Defense Brigade, Army Aviation Brigade	<u>Totals (very rough estimate)</u> 8,000 amphibious infantry 75,000-120,000 regular infantry 3,000-5,000 special forces 1,000-3,000 tanks 1,000-3,000 artillery pieces 150-200 helicopters
42nd Group Army (Huizhou, Guangdong)	Amphibious Mechanized Infantry Division, Infantry Division, Armored Brigade, Air Defense Brigade, Long-range Artillery Brigade Army Aviation Brigade, Special Operations Brigade	
14th Group Army (Kunming, Yunnan)	Mechanized Infantry Brigades (2), Motorized Infantry Brigade (2), Artillery Brigade, Air Defense Brigade, Armor Brigade	
PLA Navy South Sea Fleet HQ (Zhanjiang)	Destroyer Group Landing Ship Group Marine Brigades (2) Combat Support Ship Group	<u>Totals (very rough estimate)</u> 1 aircraft carrier 2 flat deck amphibious ships 27 landing ships 8 destroyers 13 frigates 18 missile fast attack craft 14 attack submarines 50 helicopters 8,000 marines 1,000 special forces 50 multirole fighters 24 medium bombers 7 maritime patrol, ELINT
Major PLAN Base (Haikou)	Naval Air Division Naval Radar Brigade Missile Fastboat Group	
Major PLAN Base (Sanya)	Destroyer Group Submarine Group	
Major PLAN Base (Shantou)	Frigate Base	
Major PLAN Base (Lingshui)	Naval Air Division	
Forward PLAN Bases (Paracel and Spratly Islands)	Air Defense Brigade, Observation and Communications Brigade, Special Operations Regiment, Electronic Countermeasures Regiment, Shore-to- Ship Missile Regiment	
PLA Air Force HQ (Guangzhou)	Fighter Divisions (4), Bomber Division, Fighter Brigades (3), Surface-to-air missile Brigade	
		<u>Totals (very rough estimate)</u> 200 multirole fighters

		50 medium bombers
PLA Rocket Force (under control of theater commander for conventional operations)	Intermediate Range Missile Brigade Medium Range Missile Brigade Medium Range Anti-Ship Missile Brigade	<u>Totals (very rough estimate)</u> 12 IRBMs (6 launchers) 72 MRBMs (6 launchers) 24 ASBMs (6 launchers)
* Note that this table does not account for additional assets that could be assigned from eastern or northern China if the campaign escalated and/or became a prolonged operation. These could include additional ships, submarines, strategic missiles, air attack units, air defense units, army aviation units, and special operations units. It could further include paratrooper units and strategic units for electronic warfare, cyber, and space operations. Large numbers of reserve and militia units could also be mobilized.		
Sources: Roger Cliff, <i>China's Military Power</i> ; Department of Defense, <i>Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016</i> ; Jamestown Foundation's <i>China Brief</i> ; <i>The Directory of PRC Military Personalities</i> (2016 and 2014 editions); DGI., <i>The PLA as an Organization, Volume 2.0</i> .		

**OPENING STATEMENT OF CAPTAIN JAMES E. FANELL
U.S. NAVY RETIRED, GOVERNMENT FELLOW, GENEVA CENTER FOR
SECURITY POLICY**

CAPT FANELL: Good morning, Vice Chairman Shea, Senator Goodwin, Senator Talent and Commissioners. Thank you very much for this opportunity and honor to testify before the Commission regarding what I call China's maritime sovereignty campaign.

In February 2014, I gave a speech in San Diego in which I publicly stated that the People's Liberation Army "has been given a new task to be able to conduct a 'short sharp war' to destroy Japanese forces in the East China Sea, followed by what can only be expected--a seizure of the Senkakus or even the Southern Ryukyus."

My words were provocative in 2014 because although I was being truthful, the message was not aligned with an official executive branch narrative of our security partnership with China. Now my warnings about China's maritime expansionism seem obvious, even conservative and not forward leaning, even possibly too late.

Three years on, not only do I still stand by my assertion of China's intentions regarding the Senkaku Islands, but I also assert that the PLA has dramatically increased its military capability, lethality and readiness for combat.

Thus, my thesis is straightforward: while Beijing would prefer to never fire a single shot to restore what its leaders claim is its sovereign territory, the PLA has tightened its noose around the Senkaku Islands and is now more prepared than ever to be able to conduct a "short sharp war" to restore China's perceived sovereign territory and fulfill President Xi's direction to achieve the dream of the great rejuvenation of the Chinese nation.

While much of the evidence regarding China's actions around the Senkaku Islands remains classified, there are several indicators that provide clear insight into the operational elements of the Chinese military campaign to take control of the islands by force.

Given China's doctrine and the observed actions of its military and paramilitary forces, there are likely three Chinese vectors for a short sharp war against the Senkakus:

First, a Maritime Law Enforcement scenario; second, a PLA exercise scenario; and third, a Taiwan island attack scenario.

Under each scenario, the goal of the PRC would be to physically occupy the islands and to maintain permanent control over them. To varying degrees, each scenario would have significant overlap in terms of forces used to seize the islands, the difference predominantly being how the attack was initiated.

I believe the most likely scenario of the three would resemble what China did at Scarborough Shoal in 2012, where Beijing's strategy was to visibly ratchet up pressure on Manila by increasing the presence of its Maritime Law Enforcement Forces in and around the islands to demonstrate their intent to control them.

Chinese Maritime Law Enforcement Forces would come closer and closer, presenting the Japanese one of two choices: either surrender their territory to the encroachment as the Philippines did at Scarborough Shoal when we declined to operationally support them or take some defensive enforcement action.

That defensive action no matter how slight and non-confrontational would be magnified

in Beijing's propaganda and exploited as the new excuse for China's rapid escalation to destroy the Japanese Navy in the East China Sea. Beijing would anguish over destruction caused by the Japanese provocation and beseech the international community to stop the inflow of new forces to the region. The calls for talks, of course, would be attractive to the United States, and it would leave China in place, in control of its newly seized territory.

The warfighting aspect of this scenario is actually very difficult. It is technically hard to cause dozens or hundreds of cruise and ballistic missiles to converge on a moving target inside a short time window. And it's very expensive to practice.

The U.S. Navy can't afford it, but the Chinese are investing significant national treasure and effort into preparations for this conflict. They've reorganized their forces, particularly their Rocket Forces, which will help them ensure they can bring maximum volume of ballistic and cruise missiles to bear.

At the end of 2016, they even published a video bragging about their ability to rapidly retask their Rocket Force against ships, implying that they had done it against the USS Ronald Reagan in 2016 when it sailed through the South China Sea.

The challenge for a defending force of Japanese and U.S. warships is compounded by China's ability to bring firepower of all three of their fleets into the sea area around the Senkakus, including naval fires from a densely populated Chinese submarine force armed with supersonic, sea-skimming, over-the-horizon anti-ship cruise missiles, as well as air-delivered anti-ship cruise missiles from PLA Air Forces.

With these surface, sub-surface, and air forces at hand in the East China Sea, an occupation force led by a newly transformed PLA Marine Corps would be transported on amphibious warships, including the new Type 075 helicopter carrier, which will be able to carry up to 30 helicopters. The Type 075 is the critical link for the PLA to be able to project "boots on the ground" on the Senkakus.

An equally important element of China's warfighting strategy is what the PLA calls "informatization," which is at the core of everything it wants to accomplish, especially in a short sharp war against the Senkakus.

New organizations, like the Strategic Support Force, will ensure the sanctity of national and theater level command and control, as well as enhance the warfighting effectiveness of each of the individual services. In the confines of a short sharp war, these invisible forces will provide precise situational awareness, target identification of opposing forces, network defenses, and real-time command and control that will enable the PLA to take and hold the Senkakus.

Also of great importance is the fact that since 2014, the PLA has continued to conduct several large-scale exercises that very well could be rehearsals for a Senkaku Islands campaign.

These exercises could also be intended as a deception campaign, designed to lure U.S. and Japanese audiences into complacency so that when the actual short sharp war commences, it is mistaken for "just another exercise."

Finally, if China's leaders perceive the non-kinetic forms of their Comprehensive National Power have not produced the results they desire, there will be increasing pressure from within the PRC to use the military option. As such, I believe China will be more likely to employ the military option sometime during what I describe as the "Decade of Concern"--that period from 2020 to 2030--I provided you a graphic on that--which brings me to my conclusion.

As Beijing continues to tighten its noose around the Senkaku Islands, I believe that starting in 2020, there will be increasing pressure within China to use military force no later than 2030 in order to achieve the China dream of national restoration by 2049.

Accordingly, my paper has provided eight recommendations for how to deal with this threatening situation. I believe these recommendations should be explored, and I am happy to expound on them to ensure the U.S. is capable of responding to China's increasing threats and destabilization of the peace and stability of the Indo-Asia Pacific region.

Thank you for your time and I look forward to your questions.

**PREPARED STATEMENT OF CAPTAIN JAMES E. FANELL
U.S. NAVY RETIRED, GOVERNMENT FELLOW, GENEVA CENTER FOR
SECURITY POLICY**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

I was asked to discuss plans for People's Republic of China (PRC) operations to take the Senkaku Islands, including the capabilities it will be able to employ against Japanese and United States (U.S.) and forces responding to the attack. Specifically, this paper will address: How would a military campaign to take the Senkaku Islands likely unfold, to include China's campaign objectives; how the PRC would counter U.S. intervention; how it would occupy and control the islands; the likely Chinese military assets to be used in the 2020 timeframe; and the impact of current PLA reforms and organization. I will also provide you eight specific recommendations to deal with the increasingly threatening situation with which China is confronting us. Let me set the stage first, in order to specifically answer these questions and give recommendations.

In February 2014, I gave a speech in San Diego in which I publicly stated the People's Liberation Army (PLA) “has been given a new task...to be able to conduct a ‘short sharp war’ to destroy Japanese forces in the East China Sea, followed by what can only be expected - a seizure of the Senkakus...or even the Southern Ryukyus.”¹ My 2014 assertion received a bit of international attention at the time, and it still bears on this panel's topic of East China Sea contingency operations. To set the record straight, the idea that China is actively planning to conduct a “short, sharp war” to seize the Senkaku Islands and possibly the entire Nansei Shoto was originally revealed by PLA Navy Rear Admiral Yin Zhou on Beijing Television in January 2013.² Although Admiral Yin is well known for his hawkish statements, and his original television remarks have been removed from the internet, it does not detract from the truthfulness of his declaration that China is planning for a “short, sharp war” to take the Senkaku Islands. Moreover, it does not diminish the deadly implications for both Japan and the United States were such an operation to take place.

¹ “Navy Official: China Training for ‘Short Sharp War’ with Japan”, *United States Naval Institute News*, 18 February, 2014; <https://news.usni.org/2014/02/18/navy-official-china-training-short-sharp-war-japan>

² PLA(N) RADM Yin Zhou speaking on Beijing TV, Jan 2013 during a period of heightened Chinese naval training in the East China Sea, “The battle to take over the Diaoyu Islands would not be a conventional operation.... The real fight would be very short. It is very possible the war would end in a couple of days or even in a few hours...The keys to winning the war are quick actions, and good planning...” “Short, sharp war” is a standard translation of the Chinese phrase “短暂且激烈的战争,” as when John Iveson in Shanghai, referring to RADM Yin, wrote in the *National Post* (Canada) on 3 February 2013, “There is a sense of unfinished business in much of the public commentary, amid calls by some retired officers for a ‘short, sharp war.’”

It is not just Beijing's words, but it is the actions of the PLA Navy and the Chinese Coast Guard that have validated Admiral Yin's revelations. Western analysts today increasingly and publicly admit to China's campaign of maritime expansionism, while President Xi Jinping openly promotes China's maritime ambitions as an essential part of his "China Dream". My words were "provocative" in 2014 because although I was being truthful, the message was not aligned with an official Executive Branch narrative of security partnership with China. Now my warnings about China's maritime expansionism seem obvious, even conservative, and not forward leaning—even possibly too late. Three years on, not only do I still stand by the assertion of China's intentions regarding the Senkaku Islands, but I also assert that the PLA has dramatically increased its military capability, lethality and readiness for combat. Last summer, the PLA Navy proudly publicized a practice run in the East China Sea, calling it a "sudden cruel war."³ It is the same meaning as the term "short, sharp war". China has in effect tightened its noose around the Senkaku Islands and is on the verge of being able to successfully conduct a "short, sharp war" to take these islands.

Before detailing my thesis, it is important to note that the concept of "short, sharp war" is nothing new to the PRC's rulers. During the PRC invasion of the Korean peninsula in 1950, the 1962 Sino-India War, its 1969 border battles with the Soviet Union, the 1974 Paracel Island assault, and the 1979 invasion of Vietnam, China sought victory in "short, sharp wars" based on doctrines emphasizing strategic deception, highly mobile offensive operations, and battles of annihilation. It is also worth noting the PRC was willing to sustain massive casualties and economic hardship in order to win what it hoped would be "short, sharp wars" designed to settle border disputes in its favor and—especially in the case of India and Vietnam—to teach its adversaries a "serious lesson".⁴

My thesis is simple and straightforward: while China would prefer to never fire a single shot to restore what its leaders claim is its sovereign territory, the PRC has prepared itself for just such an aggressive combat operation. Today, China is now more prepared than ever to be able to conduct a "short, sharp war" against these islands, to restore its perceived sovereign territory and thus fulfill President Xi's direction "to achieve the Chinese dream of great rejuvenation of the Chinese nation".⁵

Furthermore, if China's leaders perceive that the non-kinetic forms of their Comprehensive National Power have not produced results they desire, there will be increasing pressure from within the PRC to use the military option. China will employ the military option sometime during what I describe as the "Decade of Concern," from 2020 to 2030.

The Senkakus—A "Core Interest"

³ "Chinese navy holds live-ammunition drill in East China Sea", *PLA Daily*, 1 August 2016, http://english.chinamil.com.cn/news-channels/china-military-news/2016-08/01/content_7185148.htm

⁴ Mark A. Ryan, David M. Finkelstein, Michael A. McDevitt, "Chinese Warfighting: The PLA Experience Since 1949", *Center for Naval Analysis*, 2003, pp. 26, 29, 127, and 194

⁵ *Xinhua*, "President vows to press ahead with 'Chinese dream'", 17 March 2013, http://news.xinhuanet.com/english/china/2013-03/17/c_132239786.htm

While no Chinese government official has yet to publicly declare the Senkaku Islands (“Diaoyu Islands” in Chinese) are a “core interest”, all available evidence indicates China believes the Senkaku Islands are an inherent part of its territory, as it does Taiwan and the South China Sea. This is a significant point. Many in academia and the intelligence community incorrectly believe that a public PRC assertion of the term “core interest” is the only real proof of China’s perceived vital strategic interests; these incorrect assertions have led to a flawed national security policy that is having strategic, and potentially devastating consequences for the U.S. and our allies.

So allow me to emphasize again: the Senkakus are now a Chinese “core interest”. Nevertheless, the PRC’s strategic interest in the Senkaku Islands is rather recent despite official proclamations that they have been an inherent part of China since ancient times”.⁶ Following the end of World War II, the Senkaku Islands were under the control of the United States, as stipulated in Articles 3 and 4B of the 1950 Treaty of San Francisco.⁷ Control of the islands was then relinquished by the United States and given to Japan in 1971, as stipulated in the two nations’ “Okinawa Agreement”.⁸ Since that time the Japanese government has maintained administrative control over the islands.

Following a United Nation’s report alleging the continental shelf between Taiwan and Japan might be extremely rich in oil reserves, China’s Foreign Ministry in December 1971 made their first formal claim to the Senkaku Islands.⁹ While China publicly “set aside” its differences with Japan over its sovereignty claims after World War II, that did not change Beijing’s belief that the Diaoyu islands are unquestionably China’s sovereign territory. Beijing’s belief was made clear in the following passage from their 2012 “White Paper” on this topic:

“Diaoyu Dao [island] has been an inherent territory of China since ancient times, and China has indisputable sovereignty over Diaoyu Dao. As China and Japan were normalizing relations and concluding the Sino-Japanese Treaty of Peace and Friendship in the 1970s, the then leaders of the two countries, acting in the larger interest of China-Japan relations, reached [an] important understanding and

⁶ “Commentary: Meddling in Diaoyu Islands issue doomed to be bad deal for Washington”, *People’s Daily*, 7 February, 2017; <http://en.people.cn/n3/2017/0207/c90000-9175053.html>

⁷ “Treaty of San Francisco”, United Nations, 8 September 1951, <https://treaties.un.org/doc/publication/unts/volume%20136/volume-136-i-1832-english.pdf>

⁸ “Agreement Between the United States of America and Japan Concerning the Ryukyu Islands and Daito Islands”, Washington D.C. and Tokyo, 17 June 1971, <http://www.documentcloud.org/documents/1338715-okinawa-reversion-treaty-1971.html>

⁹ Reinhard Drifte, “Territorial Conflicts in the East China Sea – From Missed Opportunities to Negotiation Stalemate”, *Asia Pacific Journal*, 25 May 2009, <http://apjif.org/-Reinhard-Drifte/3156/article.html>

consensus on "leaving the issue of Diaoyu Dao to be resolved later."^{10 11 12}

For the next nearly 40 years, China's leaders followed Deng Xiaoping's famous dictum of *Taoguang yanghui, yousuo zuowei*: "Bide time, conceal capabilities, but do some things", China's leader's largely refrained from aggressively and publicly expressing their claims of sovereignty over the islands.¹³

On December 8th, 2008, the Chinese conducted an operation that deliberately up-ended their previous maritime policy of avoiding confrontations; they sailed to the Senkakus, circumnavigated them, returned home and publicized the act. It was completely legal within the context of international law, but it was an abrupt change that marked the operational beginning of China's maritime expansionism campaign in both the East South China Seas. However, it was subtle at first as China tested the resolve of its neighbors whose maritime rights it intended to seize, and their ally the United States.

The first real evidence that China was changing its self-declared "setting aside" posture occurred in September 2010, when a Chinese fishing trawler rammed a Japanese Coast Guard ship that was patrolling near the Senkaku Islands.¹⁴ The event was internationalized with the arrest (and subsequent release) of the Chinese fishing trawler captain and the leak of a Japanese Coast Guard video showing the aggressive and dangerous action by the Chinese fishing trawler.¹⁵

The most significant event in this timeline occurred not in the East China Sea, but in the South China Sea with the Scarborough Shoal Incident of April to June 2012. This incident was a watershed event in China's expansionist strategy. The Philippine president traveled to the United States to personally beseech the support of President Obama but received no specific statements of support, and no operational support followed. The PRC read the signal and seized sovereign rights at Scarborough Shoal from a U.S. ally—something never before done—without firing a shot. The leader of the Leading Group that orchestrated the seizure was at that time not well known in the West, a man named Xi Jinping, who had been selected by the Chinese Communist Party to become China's next president the following year.

¹⁰ *Xinhua*, "Full Text: Diaoyu Dao, an Inherent Territory of China", 25 September, 2012;

http://news.xinhuanet.com/english/china/2012-09/25/c_131872152.htm

¹¹ Japan's Ministry of Foreign Affairs 14 April, 2014 webpage states "Japan has consistently maintained that there has never been any agreement with China to "shelve" issues regarding the Senkaku Islands. This is made clear by published diplomatic records. The assertion that such an agreement exists directly contradicts China's own actions to change the status quo through force or coercion. In 1992, China enacted the Law on the Territorial Sea and the Contiguous Zone, explicitly delineating its claim over the islands as part of Chinese territory. Since 2008, China has been sending government ships to the waters off the Senkaku Islands, and has repeatedly made incursions into Japanese territorial waters."

http://www.mofa.go.jp/a_o/c_m1/senkaku/page1we_000010.html

¹² The Government of Japan has never accepted China's assertion of this so-called "setting aside" agreement.

¹³ David Shambaugh, *Brookings*, "Is China Ready To Be A Global Power?", 10 November, 2009,

<https://www.brookings.edu/opinions/is-china-ready-to-be-a-global-power/>

¹⁴ Martin Fackler and Ian Johnson, "'Lawful Countermeasures' And China's South China Sea Claims", *New York Times*, 19 September, 2010; <http://www.nytimes.com/2010/09/20/world/asia/20chinajapan.html>

¹⁵ <https://www.youtube.com/watch?v=nQRjZAvr8HI>

This event made him a national hero just when he most needed the political legitimacy, at a time when he was battling political rivals, including Bo Xilai. The acquiescence of the U.S., the Philippines, and others turned out to be a significant turning point—a real pivot—for President Xi and his vision to “restore” China’s territorial claims by destroying the system of alliances that had long contained China’s expansionism. The incident demonstrated, that despite the U.S.’s longstanding presence in the region and its much publicized “rebalance to the Pacific”, there was a vacuum in the political decision making process in Washington. This vacuum encouraged President Xi to aggressively move forward his plans for the national restoration of China’s imagined territories. While in the West the Scarborough seizure was treated as a minor fisheries dispute, Chinese scholars recognized the significance of Xi’s template for mooting U.S. alliances by undercutting confidence in the agreements, calling it the “Scarborough Model.”

It also highlighted the shallowness of U.S. understanding of China’s intentions, both in our academic community and in our intelligence assessments, but that is a topic for another day.

Then in September 2012, President Xi led the dramatic escalation in political tension surrounding the Senkaku Islands by leveraging the Japanese government’s six-month advance notification to China of its decision to convert its lease on the islands to ownership on 11 September. It was entirely an administrative act, an internal paperwork drill, but it elicited an immediate, and furious, response from China. China’s Ambassador to the United Nation’s, Li Baodong, condemned Japan’s actions as constituting “a serious encroachment upon China’s sovereignty”. More threateningly Ambassador Li stated the “Chinese government and people will never waver in their will and determination to uphold China’s territorial integrity and sovereignty.”¹⁶

That same month, the PRC’s State Council Information Office released an official “White Paper” on “Diaoyu Islands”.¹⁷ The document reasserted China’s position that the islands are “an inseparable part of the Chinese territory” and that “China enjoys indisputable sovereignty” over these islands.¹⁸ The paper concludes with these subtly threatening words, that “the Chinese government has the unshakable resolve and will to uphold the nation’s territorial sovereignty. It has the confidence and ability to safeguard China’s state sovereignty and territorial integrity.”¹⁹ Since that time there have been many more official and unofficial statements from China condemning Japan’s “purchase” of the islands and asserting China’s sovereignty over the islands. However the most important demonstration of China’s strategic intention has been by its actions on, above, and presumably below the islands’ waters by China’s maritime forces.

¹⁶ *Xinhua*, “China’s U.N. ambassador rebuts remarks by Japanese representative on Diaoyu Islands”, 28 September, 2012; <http://www.china-embassy.org/eng/zt/DiaoyuDaoofChina/t976208.htm>

¹⁷ *Xinhua*, “Full Text: Diaoyu Dao, an Inherent Territory of China”, 25 September, 2012; http://news.xinhuanet.com/english/china/2012-09/25/c_131872152.htm

¹⁸ *Xinhua*, “White paper on Diaoyu Islands hits the market”, 28 September, 2012; <http://www.china-embassy.org/eng/zt/DiaoyuDaoofChina/t976209.htm>

¹⁹ *Xinhua*, “Full Text: Diaoyu Dao, an Inherent Territory of China”, 25 September, 2012

Strategic and Campaign Doctrine

It has been stated, “strategy is best judged by what is actually done rather than what is said or claimed”.²⁰ However, any analysis of China’s plans to take the Senkaku Islands is better understood when placed into the context and perspective of Chinese strategy and campaign doctrine. Although the PRC has not published its strategic military campaign plan for taking the Senkaku Islands or even made “a unified, single doctrine for guiding military operations” available to the public, documents like the 2006 *Science of Campaigns* and 2013 *Science of Military Strategy* provide insight into Chinese military strategy and doctrine.²¹ To be understood, Chinese military doctrine is “the combination of several documents and guidelines at different command levels of the armed forces, united into a hierarchical system that the Chinese refer to as a “Science of Military Strategy.”²²

At the top of this hierarchy of Chinese military doctrine are the three concepts of “Active Defense”, “Local War under Conditions of Informatization” and “People’s War”.²³ All three have some relationship to how the PLA would conduct an operation against the Senkaku Islands.

A Mao-era operational concept, the PLA asserts that Active Defense is a “policy of strategic defense and will only strike militarily after it has already been struck”.²⁴ But that notion has given way to the concept of “gaining the initiative by striking the first blow” (xian fa zhi ren)—the absolute requirement to seize the initiative in the opening phase of a war.²⁵

Noteworthy also is that the policy of Active Defense includes the stipulation “that such a defensive strategic posture is only viable if mated with an offensive operational posture.” Moreover, the first strike that triggers a Chinese military response need not be military; actions in the political and strategic realm may also justify a Chinese military reaction.”²⁶ In the context of the Senkaku Islands, this is especially important given Japanese government use of its coast guard to provide the first layer of administrative control over the island. For instance, Beijing could use something as innocuous as a change in Japan Coast Guard force posture or even the language Japan uses when patrolling the islands as a justification for initiating an Active Defense military operation.

²⁰ Anthony H. Cordesman and Steven Colley with the assistance of Michael Wang, “Chinese Strategy and Military Modernization in 2015: A Comparative Analysis”, *Center for Strategic and International Studies*, Final Review Draft Updated October 10, 2015, Washington D.C., p. 112.; https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150901_Chinese_Mil_Bal.pdf

²¹ Ibid, p. 112.

²² Ibid, p. 112.

²³ Ibid, p. 112.

²⁴ Ibid, p. 113.

²⁵ Mark A. Ryan, David M. Finkelstein, Michael A. McDevitt, “Chinese Warfighting: The PLA Experience Since 1949”, *Center for Naval Analysis*, 2003, p. 50

²⁶ Anthony H. Cordesman and Steven Colley with the assistance of Michael Wang, “Chinese Strategy and Military Modernization in 2015: A Comparative Analysis”, p. 113.

Official PLA doctrine since 1993, Local War under Conditions of Informatization asserts that future warfare will be conducted within local geography, primarily along China's periphery, and will be limited in scope and duration.²⁷ While limited in scope and duration, under this doctrine, the PLA expects to act decisively and be victorious, especially when its forces are aided by modern, lethal weapons and are connected by robust, redundant and reliable command and control systems. Situational awareness is a key priority for operating under this doctrine and the PLA will utilize a densely layered intelligence, surveillance and reconnaissance network to provide its agile force the capability for high-tempo power projection operations to achieve China's strategic aim, in this case—to take the Senkakus and place them under its physical control.

Finally, when discussing the macro levels of Chinese military doctrine as it relates to a Senkaku Islands campaign, the concept of People's War is "one in which the people actively support the military during times of warfare: this active support can be logistical, political, or operational."²⁸ Under this doctrine, the PLA has designated the Chinese population and local governments as being vital resources, especially during a "Local War" scenario like taking the Senkaku Islands. Ultimately, under the doctrine of People's War, the PLA believes "the local population can be decisive even in a local, high-technology war."²⁹

Specifically, the "local population" will be the principal maritime element of any People's War against the Senkaku Islands. This will be in the form of the "People's Armed Forces Maritime Militia" (PAFMM) and China's civil/military fishing fleets, the largest fishing fleets in the world.³⁰ As recently reported by the U.S. Navy War College's *China Maritime Studies Institute*, Professors Kennedy and Erickson provide evidence that "China's PAFMM is an armed mass organization primarily comprising mariners working in the civilian economy who are trained and can be mobilized to defend and advance China's maritime territorial claims, protect "maritime rights and interests," and support the PLA Navy (PLAN) in wartime."³¹ Given the growing presence of Chinese sea forces around the Senkaku Islands over the past five years, it has become obvious that China not only believes the islands are their sovereign territory, but are actively preparing a "short, sharp war" military campaign using the PAFMM as the vanguard to take back the islands.

Senkaku Island Campaign Scenarios

While much of the evidence regarding China's actions around the Senkaku Islands remains classified, there are several indicators in unclassified press reporting that provide a clear insight

²⁷ Ibid, p. 114.

²⁸ Ibid, p. 116.

²⁹ Ibid, p. 117.

³⁰ Conor M. Kennedy and Andrew S. Erickson, "China's Third Sea Force, The People's Armed Forces Maritime Militia: Tethered to the PLA", *China Maritime Report No. 1 China Maritime Studies Institute*, U.S. Naval War College Newport, Rhode Island, March 2017; <http://www.andrewerickson.com/2017/03/cmsi-china-maritime-report-1-chinas-third-sea-force-the-peoples-armed-forces-maritime-militia-tethered-to-the-pla/>

³¹ Ibid, p. 2.

into the operational elements of a Chinese military campaign to take control of the islands by force. Given China's doctrine and the observed actions of its military and para-military forces over the past five years, there are likely three Chinese vectors for a "short, sharp war" against the Senkaku Islands:

- 1) Maritime Law Enforcement Scenario,
- 2) PLA Exercise Scenario, and
- 3) Taiwan Island Attack Scenario.

Under each scenario, the goal of the PRC would be to physically occupy the Senkaku Islands and maintain permanent control over them. To varying degrees, each scenario would have significant overlap in terms of forces used to seize the islands, the difference predominately being *how* the attack was initiated.

Maritime Law Enforcement Forces

First among these scenarios deals with what is known collectively as China's "Maritime Law Enforcement Forces" (MLEF). Originally known as the "Five Dragons", China's National People's Congress in March 2013 passed legislation to create an "entirely new maritime law enforcement entity", to be called the China Coast Guard Bureau (zhongguo haijingju).³²

As it did during the 2012 Scarborough Shoal Incident, China has dispatched an increasing number of MLEF ships to the Senkaku Islands to demonstrate resolve and to apply increasing pressure to the Japanese Coast Guard, which has patrolled the islands on a daily basis for years.

According to the Japanese Ministry of Defense and Ministry of Foreign Affairs reporting, from the period 2008 to September 2012, Chinese military law enforcement vessels rarely conducted intrusions into the 12 nautical mile (nm) territorial limit of the Senkaku Islands, with only one intrusion in 2008 and one in 2011.³³

Following Japan's September 2012 announcement of nationalization of the islands, China's maritime law enforcement vessels dramatically increased their intrusions into the Senkaku Islands territorial waters. In the final three months of 2012, Chinese intrusions increased to 23 times with over 68 Chinese Coast Guard ships (an average of three ships per intrusion) entering the 12nm limit and directly challenging Japan's sovereignty of the islands.³⁴ (Figure 1)

³² Ryan Martinson, "From Words to Actions: The Creation of the China Coast Guard" A paper for the China as a "Maritime Power" Conference, *Center for Naval Analysis*, Arlington, Virginia, 28-29 July, 2015; https://www.cna.org/cna_files/pdf/creation-china-coast-guard.pdf

³³ There are two primary sources for these numbers. The first is from Japan's Ministry of Foreign Affairs webpage "Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response - Records of Intrusions of Chinese Government and Other Vessels into Japan's Territorial Sea" which measures intrusions by number of vessels per month, http://www.mofa.go.jp/region/page23e_000021.html; the second is a briefing from Japan's Ministry of Defense entitled "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", February 2017, which measures incursions by the number of intrusions per month.

³⁴ Ibid.

Chinese Coast Guard intrusions into the Senkaku Islands territorial waters are just the tip of the iceberg in China's response. For instance, when the Chinese maritime law enforcement vessels were not conducting intrusions into the 12nm territorial limit they would remain in the general area of the islands (within 30nm) and would frequently conduct intrusions into the islands 24nm contiguous zone. The United Nations Convention of the Law of the Sea (UNCLOS) defines the contiguous zone is "the area where coastal State may exercise the control necessary to prevent the infringement of its customs, fiscal, immigration or sanitary laws and regulations within its territory or territorial sea, and punish infringement of those laws and regulations committed within its territory or territorial sea."³⁵ As at Scarborough, Beijing's strategy was to visibly ratchet up the pressure on Tokyo by increasing the presence of its MLEFs in and around the Senkaku Islands and to demonstrate gradually increased Chinese civil administration over the islands, a key component of its maritime sovereignty expansion campaign.

In the first year (September 2012 to October 2013) Chinese maritime law enforcement vessels conducted 52 intrusions into the Senkaku's territorial waters. Then from 2013 through 2016, these intrusions normalized to an average of 34 times per year, or two to three times per month.³⁶ The pressure continued to build, when in December 2015 Japan reported that for the first time an armed Chinese Coast Guard cutter, *Haijing 31239* (formerly a PLA Navy *Jiangwei I*-class frigate) entered the contiguous zone on 22 December and then the territorial waters on the 26th.^{37, 38}

China's probing of Japan's defense of the islands came in many forms. For instance, as the Chinese Coast Guard began its presence around the islands, it became obvious that their craft were deficient for the task of continuous presence due to the small size of their patrol boats. Generally smaller than 1,000 tons, these vessels had a limited ability to remain on station near the islands, especially during bad weather and in higher sea states (usually above sea state 3-4). This all began to change in 2014 when Chinese MLEF vessels patrolling the Senkaku Island began to increase in size.³⁹ For instance, in August of 2014 at least one frigate-sized 3,000-ton Chinese MLEF vessel deployed to the Senkaku Islands and by February of 2015 there were reports of the first intrusion by three MLEF vessels greater than 3,000-tons.⁴⁰

³⁵ "Maritime Zones and Boundaries", *Office of the General Counsel National Oceanic and Atmospheric Agency*, http://www.gc.noaa.gov/gcil_maritime.html#contiguous

³⁶ "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", briefing from Japan's Ministry of Defense, February 2017, slide 2.

³⁷ Robin Harding and Charles Clover, "China steps up incursions around disputed Senkaku Islands", *Financial Times*, 1 January 2016; <https://www.ft.com/content/adf159d0-c007-11e5-846f-79b0e3d20eaf>

³⁸ "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", briefing from Japan's Ministry of Defense, February 2017, slide 2.

³⁹ "The PLAN - New Capabilities and Missions for the 21st Century", Office of Naval Intelligence, April 2015, p. 45, defines small vessels as being between 500-1,000 tons and large vessels as greater than 1,000 tons. http://www.oni.navy.mil/Intelligence_Community/china.html

⁴⁰ "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", briefing from Japan's Ministry of Defense, February 2017, slide 2.

Size matters in confrontations at sea, especially between coast guard vessels. As China has sought more of its neighbors' maritime sovereignty, it has built ever-larger coast guard ships. These are intended to enable its civil maritime forces to carry out China's campaign more aggressively (having the biggest ship on scene), and to conduct them at increasing distances from China's coastline. As such, China has demonstrated its commitment to have the largest coast guard vessels in the Asia Pacific region. In 2014, China commissioned the largest coast guard cutter in the world, at 12,000 tons, the *Zhongguo Haijing 2901*. This cutter first went to sea for the first time in May 2015 and is subordinated to the East China Sea area of responsibility.⁴¹ A second ship of the class, *CCG3901*, was completed and made ready for operations in January 2016.⁴² The Communist Party's *People's Daily* made the purpose of these ships crystal-clear, stating they were designed to have "the power to smash into a vessel weighing more than 20,000 tons and will not cause any damage to itself when confronting a vessel weighing under 9,000 tons. It can also destroy a 5,000 ton ship and sink it to the sea floor."⁴³

Note carefully the combat assault mission of these Chinese Coast Guard ships.

While most other nations emphasize their maritime law enforcement agencies' ability to support safety at sea, search and rescue, humanitarian assistance and disaster relief operations with an emphasis on saving lives and helping those in distress at sea, China has taken a different approach. China instead boasts their large Coast Guard vessels as being designed not to save lives at sea: China publicly admits their large cutters are designed to sink coast guard ships and fishing boats. This "ram and sink" Chinese Coast Guard mission provides a unique insight into the PRC's potential operational plan to take the Senkaku Islands by force.

While the size and scope of operations of China's MLEF are important factors in being able to support a "short, sharp war" against the Senkaku Islands, so is the proximity of these operational forces. Beijing quickly realized that any plan to use the MLEF as a proxy force in operations against the Senkaku Islands would be constrained by the distances of existing Chinese MLEF bases to the islands. Consequently, in June of 2015, the first reports emerged of China Coast Guard building a new base near the city of Wenzhou in Zhejiang Province, much closer to the Senkaku Islands.⁴⁴ The plans, as posted to the city website (which have since been deleted) indicated the base is being designed to "occupy about 500,000 sq. meters and will have a pier around 1.2 km long with a facility where six vessels—including large ones with a displacement of up to 10,000 tons—can moor, a hangar for airplanes and helicopters, and a large training facility."⁴⁵

⁴¹ Ryan Martinson, "East Asian Security in the Age of the Chinese Mega-Cutter", *Center for International Maritime Security (CIMSEC)*, 3 July, 2015; <http://cimsec.org/east-asian-security-age-chinese-mega-cutter/16974>

⁴² Huang Jin, "China builds second mega coast guard ship", *People's Daily*, 11 January 2016, <http://en.people.cn/n3/2016/0111/c98649-9001860-5.html>

⁴³ Jiaxin Li, "China's New Generation of Coast Guard Ship is Powerful", *People's Daily*, 29 July, 2015, <http://en.people.cn/n/2015/0729/c90000-8927696.html>

⁴⁴ "China plans to build coast guard base near Senkaku Islands: sources", *Kyodo*, 13 June 2015

⁴⁵ Ibid.

Interestingly, and no doubt related, were China's plans for construction of another new base, this time for PLA Navy on the island of Nanji near the new coast guard base at Wenzhou.⁴⁶ Nanji Island is 60nm closer to the Senkaku Islands than are the military bases of Japan and the United States located on Okinawa. These islands are reported to already have "an advanced radar system in place and a heliport for use by carrier-based helicopters."⁴⁷ It is also expected to have a runway that would diminish flight time to the Senkaku Islands, as well as increase available on-station time by either Chinese Coast Guard or PLA air forces.

Another interesting element that can be derived from these reports is the emphasis China places on the integration of MLE and PLA forces. When it comes to the Senkakus, China's leaders recognized that a closer proximity for its civil and military forces was absolutely necessary in order to meet the demands of a "short, sharp war" to take the islands.

The Chinese would start the war the same way they started their seizure of Scarborough Reef from the Philippines, by progressively leaning in on the feature with fishermen, and MLE forces "protecting" them. They'd increase their presence in fine increments—coming closer, anchoring, taking resources, landing on the islands, building on the islands—until the Japanese had one of two choices: either surrender their territory to the encroachment as the Philippines did at Scarborough Reef when we declined to operationally support them, or take some defensive enforcement action.

That defensive action, no matter how slight and non-confrontational, would be magnified in Beijing's propaganda and exploited as the excuse for China's rapid escalation to destruction of the Japanese Navy in the East China Sea—within hours, the short sharp war—before calling for a truce. Beijing would anguish over the destruction caused by the Japanese provocation, and beseech the community to stop the fighting with no more forces being poured into the region. The call for talks of course would be attractive to the U.S., and it would leave China in place, in control of its newly seized territory.

The war-fighting aspect of this scenario is actually difficult. It is technically hard to cause dozens or hundreds of cruise and ballistic missiles to converge on a moving target inside a short time window, and it's very expensive to practice. The U.S. Navy can't afford it, but the Chinese are investing significant national treasure and effort into preparations for this conflict. They've re-organized their forces, particularly their rocket forces, which will help them ensure they can bring a maximum volume of ballistic and cruise missilery to bear. At the end of 2016, they published a video bragging about their ability to rapidly re-task their Rocket Force against ships, implying they had done it against the USS Ronald Reagan in July when it sailed through the South China Sea.

⁴⁶ "Pier for warships built on Chinese isle west of Senkakus", *Japan Times*, 19 August 2016, <http://www.japantimes.co.jp/news/2016/08/19/national/politics-diplomacy/pier-built-warships-chinese-military-site-close-senkakus/#.WOJSnxhh01g>

⁴⁷ Ibid.

Their H-6 bombers are now regularly practicing to deter the U.S. Navy from approaching the Philippine Sea, and you've already heard of the PLA's anti-ship ballistic missiles.

This level of violence is complex to coordinate, but they've stood up an East Sea Joint Operations Center. Given the increasing presence, size, and frequency of Chinese MLEF vessels into the waters surrounding the Senkaku Islands, the next logical question is how would China use these forces to take physical control of the islands?

An event from August 2016 may prove to have been a rehearsal of how China may take the islands.

Around mid-day on the 5th of August 2016, some 200-300 Chinese fishing boats swarmed into the contiguous zone around the Senkaku Islands of Kuba and Uotsuri, accompanied by one Chinese MLEF vessel.⁴⁸ By the 9th of August up to 15 Chinese MLEF vessels had first entered the contiguous zone and then drove on into the 12nm territorial water limit of the islands. This was the first time China had ever put that many fishing ships and law enforcement vessels into the territorial waters of the Senkaku Islands. This surge of 15 MLEF ships was a dramatic and significant increase compared to the average number of three (3) MLEF vessels that had deployed into the contiguous zone since 2012.⁴⁹

Particularly noteworthy was the fact that a large number of these vessels were observed with deck-guns, greatly increasing the potential volatility of these intrusions.

This sustained "pressurization" by the Chinese MLEF vessels into the territorial waters and contiguous zones of the Senkaku Islands not only represents a significant threat to Japan's ability to administer the islands, but is in fact the most likely avenue of approach for any Chinese attempt to take the islands by force.

This scenario is especially possible during a period of bad weather and high sea-states that would drive away the Japanese Coast Guard from their patrol stations within the 12nm territorial limit. Even the temporary absence of Japanese Coast Guard ships could open a window of opportunity for China's Coast Guard to surge into the vacuum and thus take control of the islands, with the PLA Navy lurking just over the horizon.

The Role of the PLA

China has enjoyed recent successes in acquiring territory and maritime sovereignty from its neighbors through the threat rather than use of force, like at Scarborough Shoal in 2012 and the building of new so-called "Spratly Islands" from 2012 to present. Nonetheless, the Communist

⁴⁸ "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", briefing from Japan's Ministry of Defense, February 2017, slide 3.

⁴⁹ Ibid.

Party of China has charged the PLA with transforming itself into a force that will be ready to take Taiwan by 2020.⁵⁰ By all accounts, the PLA is well on their way towards achieving that goal.

Equally as important is the reality that if the PLA can take Taiwan, then it can also take the Senkaku Islands. It isn't hard to recognize the multiple overlapping military requirements for both scenarios, especially for the smaller Senkaku Islands. The military capabilities required to take Taiwan apply to a scenario like the Senkaku Islands, and China is more likely to use them against the Senkakus because of the smaller scope and shorter campaign the PLA anticipates to be necessary to achieve victory. Likewise, a case can be made that the Senkakus could also be a prerequisite for the acquisition and assimilation of Taiwan.

Since taking office, President Xi has accelerated this transformation of the PLA through a high profile anti-corruption campaign within the Party and PLA and a restructuring of China's seven military regions into five theater commands. He has also "subordinated the ground force to an army service headquarters, raised the stature and role of the strategic missile force, and established a Strategic Support Force (SSF) to integrate space, cyber, and electronic warfare capabilities."⁵¹

Furthermore by early 2016, President Xi had re-organized and streamlined the senior echelons of the PLA by discarding "the PLA's four traditional general departments in favor of 15 new CMC functional departments."⁵² And to put a capstone on this transformation, President Xi announced the Central Military Commission (CMC) would now be in charge of the "overall administration of the PLA, People's Armed Police, militia, and reserves" with the new theater commands (sometimes referred to as "joint war zones") to focus on combat preparedness. Meanwhile the various services would be responsible for the development of what in the U.S. are the "Title 10 authorities" to man, train, and equip the force.⁵³

The PLA Navy

In addition to this transformation rests the largest military modernization effort since the end of World War II. The growth of the PLA Navy from 2000 to 2015 far exceeds the build-up in any other nation's Navy in the post-World War II era, save for the U.S. Navy during the Reagan years of the 1980s. Some believe this growth has reached its apex, but they are wrong. Given the stated intentions of China's leader to fulfill the "China Dream" of national restoration and rejuvenation, China's demonstrated shipbuilding capabilities and capacities, and its significant

⁵⁰ "Beijing's diplomacy, military build-up aims to be ready to retake Taiwan by 2020 and deter foreign assistance", *South China Morning Post*, 28 October, 2015; <http://www.scmp.com/news/china/article/1873002/beijings-diplomacy-military-build-aims-be-ready-retake-taiwan-2020-and>

⁵¹ Michael S. Chase and Jeffrey Engstrom, "China's Military Reforms: An Optimistic Take", *Joint Force Quarterly* 83, National Defense University Press, 4th Quarter, October 2016; <http://ndupress.ndu.edu/JFQ/Joint-Force-Quarterly-83/Article/969661/chinas-military-reforms-an-optimistic-take/>

⁵² Ibid.

⁵³ Ibid.

growth in blue-water operations, it is clear the PLA Navy will be a dramatically larger and a more combat capable navy than has been previously estimated or accepted by conventional wisdom.

While the “modernization” of the PLA Navy cannot be denied, even more obvious has been the changing pattern of PLA Navy operations. Instead of being a coastal water Navy force steaming within 50nm of China’s coastline, today the Chinese Navy has pushed out into the blue water of the Pacific Ocean and beyond. (Figure 2 & 3)

I would also emphasize the relationship between the “rate of growth” of the PLA Navy and its modernization program that is increasingly testing new hull designs and weapon systems. What this means in real terms is that in order for China’s leaders to achieve their vision of a “rejuvenated” and “restored” China, they needed a fleet that can expand China’s “interior lines” out into the maritime domain. That goal will be largely met by 2020. It will most certainly provide Beijing with the means to take the Senkaku Islands by force.⁵⁴

Far Seas Operations

As introduced by President Hu Jintao’s “New Historic Missions” speech to the Central Military Commission in 2004, the PLA Navy was given new responsibilities to “defend China’s expanding national interests” and to “uphold world peace.”⁵⁵ President Hu’s “New Historic Missions” effectively inaugurated China’s Maritime Strategy and shifted the PLA Navy’s focus from the “near seas” to a “far seas defense.”⁵⁶

In view of the Party’s strategic direction and consistent with China’s growing global economic interests, over the course of the past decade the world has witnessed the PLA Navy’s expanded operations, which President Xi has not only sustained but has increased under the rubric of his vision of the “China Dream.” Whether it is eight year’s of sustained anti-piracy task force operations in the Gulf of Aden, non-combatant evacuation operations of its citizens from Libya, escorting and supporting United Nations operations to remove chemical weapons from Syria, global “goodwill” deployments, or out of area nuclear submarine operations, China’s maritime forces today sail the seven seas.

Some argue “the speed and scope of PLAN movement toward the Far Seas remains unclear”

⁵⁴ For more on China’s naval modernization projections through 2030, see James E. Fanell and Scott Cheney-Peters’ chapter “Maximal Scenario Expansive Naval Trajectory to “China’s Naval Dream” in “Chinese Naval Shipbuilding – An Ambitious and Uncertain Course”, edited by Andrew Erickson, *Naval Institute Press*, Annapolis, Maryland, 2016.

⁵⁵ Christopher H. Sharman, “China Moves Out: Stepping Stones Toward a New Maritime Strategy,” Institute for National Strategic Studies, China Strategic Perspectives no. 9, November 2014, p. 5, <http://ndupress.ndu.edu/Portals/68/Documents/stratperspective/china/ChinaPerspectives-9.pdf>

⁵⁶ Christopher H. Sharman, “China Moves Out: Stepping Stones Toward a New Maritime Strategy,” Institute for National Strategic Studies, China Strategic Perspectives no. 9, November 2014, p. 4, <http://ndupress.ndu.edu/Portals/68/Documents/stratperspective/china/ChinaPerspectives-9.pdf>

principally, because of the complexity and experience required for such operations.⁵⁷ Proponents of this view believe the pace of PRC naval modernization, specifically shipbuilding, will remain the same or could even diminish over the next 15 years. But an examination of previous PLAN operations and emerging missions instead strongly suggests the trajectory of growth will only increase. This increase will provide Communist Party leaders the confidence in the PLA necessary to undertake combat operations in the East China Sea.

An examination of PLA Navy “blue water operations” over the past fifteen years reveals “China’s ambitious naval modernization has produced a more technologically advanced and flexible force”. This evolving naval force will provide Beijing the capability to successfully conduct a military campaign to take the Senkaku Islands.⁵⁸ This pattern of activity over the past decade has instituted a new normalization for PLAN far seas operations and “is an important step toward an emerging new maritime strategy that will incorporate far seas defense”, something that is especially applicable to a Senkaku Islands scenario.⁵⁹

This transformation has required a new force structure, one that has increased both the number and type of naval platforms. With respect to far seas operations, the Office of Naval Intelligence 2015 report, “The PLA Navy – New Capabilities and Missions for the 21st Century” stated that “during the past decade, requirements for diversified missions and far seas operations have stimulated an operational shift and have catalyzed the acquisition of multi-mission platforms”. These multi-mission platforms are perfectly suited for naval combat against Japan naval forces tasked to defend the Senkaku Islands.⁶⁰

China’s naval shipbuilding requirements will NOT cease over the next decade. Instead, they will increase and will provide PLA Navy leaders the capability to conduct naval warfare within the First Island Chain, specifically against Japanese Maritime Self Defense Forces.

Not only does the present day PLA Navy present a significant threat to Japan, but it now also threatens the U.S. Navy.

In Holmes and Yoshihara’s recently published monograph “Taking Stock of China’s Growing Navy: The Death and Life of Surface Fleets”, they assert the PLA Navy is “particularly well-suited to seize islands.”⁶¹ They say the PLAN assault forces will be led by surface combatant strike groups comprised of its premier combatant, the Type 052D *Luyang III*-class guided missile destroyers, the Type 054C *Luyang II*-class guided missile destroyers, the Type 054A *Jiangkai*

⁵⁷ Andrew S. Erickson, “Rising Tide, Dispersing Waves: Opportunities and Challenges for Chinese Seapower Development,” *The Journal of Strategic Studies* (2014), p. 4, <http://dx.doi.org/10.1080/01402390.2014.903472>

⁵⁸ “The PLAN - New Capabilities and Missions for the 21st Century”, Office of Naval Intelligence, April 2015, p. 13, http://www.oni.navy.mil/Intelligence_Community/china.html

⁵⁹ Christopher H. Sharman, “China Moves Out,” pp. 1-2.

⁶⁰ “The PLA Navy,” ONI, pp. 10-11.

⁶¹ James R. Holmes and Toshi Yoshihara, “Taking Stock of China’s Growing Navy: The Death and Life of Surface Fleets”, *Foreign Policy Research Institute*, Spring 2017, 3 February 2017, p. 276.

III-class guided missile frigates and the Soviet-built *Sovremenny*-class destroyers.

Not only could these surface action strike groups provide withering naval gun fire support for an amphibious landing force with their superior (range, speed, and survivability) anti-ship cruise missile inventory, but these combatants would also provide sea-based air defense that would constrain or even preclude U.S. or Japanese air operations near an amphibious operation.⁶² Given China's superior number of advanced surface combatants "it is far from clear that the United States retains its accustomed supremacy", especially in a Senkaku Islands campaign where naval warfare will determine mission success.⁶³

In addition to PRC MLEF and PAFMM ships, PLA Navy forces have also increased their operations in and around the Senkaku Islands since 2012. Prior to 2012, PLA Navy warships generally patrolled on the west side of the "Median Line". Since 2012 there has also been an increase in the number of Chinese warships operating for sustained periods of time east of the "Median Line". This trend culminated on 19 June 2016 when the Japanese destroyer *Setogiri* confirmed a PLAN *Jiangkai I*-class frigate had entered the Contiguous Zone of the Senkaku Island of Kuba.⁶⁴

While this event was linked at the time to the transit of a Russian *Udaloy*-class destroyer between the Kuba and Taisho Islands, the larger point is that a PLA Navy warship was in the immediate area of the Senkaku Islands, as if on patrol station. The implications from this event demonstrate the PLA Navy is steaming closer and closer to the Senkakus, tightening its noose.

The challenge for the defending force of Japanese and U.S. warships operating within the First Island Chain is compounded by China's ability to bring firepower of all three of their fleets into the sea area around the Senkaku Islands. In addition, naval fires will also come from a densely populated submarine force armed with supersonic, sea-skimming, 290nm range *YJ-18* ASCM, as well as air-delivered ASCMs from PLA Air Forces. With these surface, subsurface, and air forces at hand in the East China Sea the PLA Navy has the capability to conduct a "short, sharp war" to take the Senkaku Islands.

PLA Navy Amphibious Forces

Perhaps the most important aspect to any successful Chinese Senkaku Islands campaign involves the act of physically moving forces ashore.

While no secret PLA battle plan for taking the Senkaku Islands has been revealed to the international press, there is overwhelming evidence to suggest China's leaders believe that in order to be fully restored as a nation, Chinese forces will need to occupy all of the disputed areas.

⁶² Ibid. p. 277.

⁶³ James R. Holmes and Toshi Yoshihara, "Taking Stock of China's Growing Navy: The Death and Life of Surface Fleets", *Foreign Policy Research Institute*, Spring 2017, 3 February 2017, p. 280.

⁶⁴ "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", briefing from Japan's Ministry of Defense, February 2017, slide 5.

First, we have seen China take physical possession of Scarborough Shoal, and create seven new man-made islands in the Spratly Islands. If Beijing believed that only a diplomatic agreement was sufficient, why build 48 square miles of new islands at a huge cost both economically and diplomatically—unless you are committed to the old lawyer’s adage, “possession is 9/10ths of the law”.⁶⁵

Not only has China taken physical possession of these islands and shoals in the South China Sea, they have continued to train their naval and amphibious forces in the art of expeditionary warfare, a skill set that can be applied to a Senkaku Islands campaign. Most recently in the South China Sea, two amphibious dock landing ships, three air-cushion landing craft, and two ship-borne helicopters conducted beach landing exercises.⁶⁶ This type of training is ubiquitous across the East and South China Sea and is the most tangible evidence of the PLA’s intention of being prepared to conduct such a mission.

One facet of President Xi’s transformation of the PLA includes a dramatic expansion of the PLA Marine Corps (PLAMC) to 100,000 strong personnel—a tenfold increase of its Marine Corps of just a few years ago. According to the *South China Morning Post*, “two special warfare brigades had already been incorporated into the PLAMC, raising the forces’ complement of soldiers to 20,000.”⁶⁷ While the reporting indicates that some of these new PLAMC forces will be dispatched to far-flung installations like in Gwadar, Pakistan or the new PLA Navy base in Djibouti, there is little doubt that the growth of PLAMC personnel is necessary to keep up with the increasing number of high-end, large amphibious warships that China has acquired and is intent on building over the near term.

For instance, according to the *Office of Naval Intelligence* as of 2015, the PLA Navy has 56 amphibious warships, ranging from a few WW-II era landing ships to the four of the large, modern *Yuzhao*-class Type 071 amphibious transport docks (LPD), “which provide a considerably greater and more flexible capability than the older landing ships.”⁶⁸ The *Yuzhao* is perfectly fitted for a Senkaku Islands campaign as it “can carry up to four of the new air cushion landing craft”, as well as “four or more helicopters, armored vehicles, and troops”.⁶⁹

Not content with the *Yuzhao*, China has announced it “has started building a new generation of large amphibious assault vessels that will strengthen the navy as it plays a more dominant role in

⁶⁵ Anders Corr, “China’s Take-And-Talk Strategy In The South China Sea”, *Forbes.Com*, 29 March 2017, <https://www.forbes.com/sites/anderscorr/2017/03/29/chinas-take-and-talk-strategy-in-the-south-china-sea/>

⁶⁶ “Air cushioned landing craft participate in beach landing exercise”, *PLA Daily*, 28 March 2017, http://english.chinamil.com.cn/view/2017-03/28/content_7542339.htm

⁶⁷ “China poised to expand its Marine Corps”, *People’s Daily*, 14 March 2017, <http://en.people.cn/n3/2017/0314/c90000-9190362.html?override=1>

⁶⁸ “The PLAN - New Capabilities and Missions for the 21st Century”, Office of Naval Intelligence, April 2015, pp. 13, 18, http://www.oni.navy.mil/Intelligence_Community/china.html

⁶⁹ Ibid. p. 18.

projecting the nation's power overseas".⁷⁰ PLA Navy Commander, Vice-Admiral Shen Jinlong, reportedly visited the Hudong Zhonghua Shipbuilding Company in Shanghai where the new ship, identified as the Type 075 landing helicopter dock (LHD), is reportedly under construction.⁷¹

The Type 075 is much larger than any other amphibious warship previously built for the PLA Navy. It is approximately the same size as the U.S. Navy's *Wasp*-class amphibious ships.⁷² What makes the Type 075 uniquely suited to a Senkaku Islands campaign is the large amount of attack and transport helicopters it will be able to carry compared to the *Yuzhao*-class's four helicopters. The Type 075 is projected to be able to carry up to 30 helicopters and have the ability to launch six helicopters simultaneously.⁷³ This becomes critically important because at present the closest PLA airfield from which the PLA could launch attacking helicopters against the Senkaku Islands is well over 180nm away. The Type 075 will provide the critical, or "missing", element of China being able to project "boots on the ground" as far as the Senkaku Islands.

In terms of timing, "the first vessel may be launched as early as 2019 and put into full service in 2020."⁷⁴ Given the Chinese shipbuilding industry's past performance in building the *Yuzhao* and the new Type 001A indigenous aircraft carrier, it is likely the PLA will be able to build and operate up to four of these amphibious warships by 2025. Whatever the final number of amphibious vessels, it is likely the PLA Navy and Marine Corps will be ready to "answer the bell" when called upon by President Xi to take the Senkaku Islands.

PLA Air Forces

The importance of PLA air forces in a Senkaku Islands scenario became clear on 23 November 2013, when the PRC abruptly declared an Air Defense Identification Zone (ADIZ) in the East China Sea.⁷⁵ Despite their unilateral action having been "called out" by senior U.S. Defense and State Department officials, as "a provocative act and a serious step in the wrong direction", China has not backed down.⁷⁶ Not deterred by history or international norms, the PRC government and media propaganda statements declared the ADIZ gave China the right to take "emergency measures" against non-compliant aircraft in international airspace, even aircraft that were not vectored at the Chinese mainland.⁷⁷ While the ADIZ was portrayed to be about protecting China's mainland, it could equally be a valuable tool in any Chinese Active Defense

⁷⁰ Minnie Chan, "China building navy's biggest amphibious assault vessel, sources say", *South Morning China Post*, 29 March 2017, <http://www.scmp.com/news/china/diplomacy-defence/article/2083109/china-building-navys-biggest-amphibious-assault-vessel>

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ "Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the P.R.C.", *Xinhua*, 23 November, 2013.

⁷⁶ Assistant Secretary of State Danny Russel's testimony before the House Foreign Affairs Committee's Subcommittee on Asia and the Pacific, 5 February, 2014.

⁷⁷ "Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the P.R.C.", *Xinhua*, 23 November, 2013.

stratagem to take the Senkaku Islands.

Since the ADIZ declaration, PLA air forces have increased the scope and scale of flights in and around the Senkaku Islands. In December 2012, a China Maritime Surveillance aircraft entered the Senkaku Islands territorial airspace, the first time in 50 years for such an event to happen.⁷⁸ This event ushered in an era of expanded PLA air force activities in the East China Sea where fighter, airborne warning and control, signal and electronic intelligence aircraft and unmanned aerial vehicles have expanded their air operations further and further southeast towards the Senkaku Islands.⁷⁹ Accordingly, Japanese increased reactions to Chinese aircraft from approximately 300 events in 2012 to nearly 700 in 2016.⁸⁰

Additionally, PLA air forces began an aggressive transition from being an exclusively territorial air defense force to one that is now more active and comfortable over the open seas than at any time in its history. For instance in 2013, PLA air forces began flights into the Western Pacific Ocean via the Miyako Strait, and have since averaged between five and six events per year with multiple aircraft.⁸¹ The aircraft types conducting flights near the Senkaku Islands include bomber, fighter, refueling, electronic intelligence, and airborne early warning aircraft, all attesting to the comprehensive nature of how China would employ air power to help secure and maintain their control over the Senkaku Islands.

Adding complexity to the air domain, the PLA Air Force conducted “its first-ever exercise over the western Pacific via the Bashi Channel” in late March 2015.⁸² Despite PLA Air Force public assertions that these drills were routine and not targeted against “any particular country, regions or targets”, there is little doubt PLA air forces entering the Philippine Sea via the Bashi Channel or the Miyako Strait provide the PLA considerable operational and tactical flexibility in any Senkaku Island attack campaign.⁸³

Upping the ante, the PLA Air Force announced in mid-September 2016 that it would conduct “regular” exercises flying past the First Island chain.⁸⁴ True to its word, PLA air forces have conducted routine flights through the Miyako Strait and Bashi Channel with the most recent big event occurring on 3 March as China sent 13 aircraft through the Miyako Strait.⁸⁵ According to the Japanese Ministry of defense this was “the largest number of foreign planes Japan has

⁷⁸ Hiroko Tabuchi, “Japan Scrambles Jets in Islands Dispute With China”, *New York Times*, 13 December 2012, <http://www.nytimes.com/2012/12/14/world/asia/japan-scrambles-jets-in-island-dispute-with-china.html>

⁷⁹ “Situations in East/South China Seas, West Pacific Ocean & Sea of Japan”, briefing from Japan’s Ministry of Defense, February 2017, slide 4.

⁸⁰ Ibid.

⁸¹ Ibid., slide 8.

⁸² “China air force in west Pacific drill”, *Xinhua*, 21 May 2015, http://english.chinamil.com.cn/news-channels/2015-05/21/content_6501957.htm

⁸³ Ibid.

⁸⁴ Jesse Johnson, “ASDF Scrambles Jets As China Sends More Fighters And Bombers Through Miyako Strait As Part Of Large Drill”, *Japan Times*, 3 March 2017, <http://www.japantimes.co.jp/news/2017/03/03/national/china-sends-planes-miyako-strait-large-scale-drill/>

⁸⁵ Ibid.

scrambled jets for since such data first became available in 2003.”⁸⁶

In response, in February, Japan’s Defense Ministry announced their Air Self Defense Forces (JASDF) “doubled the number of fighter jets it scrambles when responding to airspace checks by foreign planes”.⁸⁷ According to the latest reports by the Japanese, the number of JASDF scrambles launched between April 2016 and January 2017 had already surpassed “the annual record of 944 set in fiscal 1984, when the Cold War was in full swing and airplanes from the former Soviet Union were active.”⁸⁸ JASDF pre-planned response procedures since 1958 had been to send up only two jets per scramble, now the JASDF is sending up four fighters per scramble event. It is apparent the JASDF has been forced to change its protocols due to the provocative and probing nature of China’s air activity around the Senkaku Islands and the Nansei Shoto, where both nations’ ADIZs now overlap.

Noteworthy has been the increasing proximity of Chinese aircraft towards the Senkaku Islands. According to Japan’s Ministry of Defense, China has increased the number of PLA air forces that fly south of the 27 degrees north latitude, an unspoken demarcation line and something Japan has considered a “defensive border line.”⁸⁹ JASDF tactical objectives are designed to keep Chinese planes from flying within a minimum protective air umbrella of approximately 60nm from the Senkaku Islands.

Given the dramatic increase in provocative PLA air force activity and Japanese responses to them in the East China and Philippine Sea, the likelihood for an explosive event has risen greatly. This is especially true since Tokyo and Beijing do not have a “hot line” communication network “that can be used by their militaries to avoid accidental aerial or maritime clashes.”⁹⁰ The risk of an untoward event in the air has increased, as was seen in December 2016 when Japanese fighters were forced to expend “flares” in response to provocative actions by PLA air force aircraft in the Miyako Strait.⁹¹ Untoward incidents have not been limited to just China and Japan. U.S. military aircraft have likewise been harassed in the East China Sea. The most recent incident occurred at the end of March 2017, when a U.S. B-1 bomber aircraft flying from Guam to the Korean Peninsula was warned by Chinese air controllers that it was “illegally flying inside” China’s ADIZ.⁹²

While Japan’s air force seeks more flexibility by controlling their fighter jets across all of its regions, the fact remains China could easily begin a “short, sharp war” against the Senkaku

⁸⁶ “Japan doubles fighter jets deployed for scrambles against China”, *Japan Times*, 28 February 2017, <http://www.japantimes.co.jp/news/2017/02/26/national/politics-diplomacy/japan-doubles-fighter-jets-deployed-scrambles-china/#.WLKghicauU>>

⁸⁷ Ibid.

⁸⁸ Ibid. It should be noted that the 944 scrambles reported in 1984 reflect all JASDF scramble events across the country, to include scrambles against Russian and other unidentified aircraft that penetrate their ADIZ.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ “Incident with Japan triggers concern”, *PLA Daily*, 12 December 2016, http://english.chinamil.com.cn/view/2016-12/12/content_7403377.htm

⁹² “China threatens US bomber flying in East China sea, says should respect its air defence zone”, *Reuters*, 23 March 2017

Islands by exploiting and surprising local air commanders. Specifically, the PLA air forces could launch a large number of fighters and other aircraft towards Okinawa via the Miyako Strait and up through the Bashi Channel with the goal of diverting, diffusing and degrading JASDF efforts to get to the airspace over the Senkaku Islands where a main invasion force, either airborne from helicopters or seaborne, would be conducted concurrently.

And this combined arms diversionary and main assault would all take place under the cover of one of the most sophisticated missile and rocket forces on the planet.

PLA Rocket Forces

In terms of kinetic fires for all three scenarios, per the Chinese military doctrine of “Joint Fire Strike Campaign”, it should be anticipated that Beijing would use its extensive ballistic and cruise missile arsenal, from both the PLA Rocket Force and PLAAF/PLANAF/PLAN, to disrupt rear area operations along the Ryukyu Islands. More importantly, Japan and the U.S. should expect attacks against military bases on the main island of Honshu and Guam where the majority of Japanese and U.S. military strength resides.

Commander Tom Shugart’s recently published article, “Has China Been Practicing Pre-Emptive Missiles Strikes Against U.S. Bases?” convincingly argues “the greatest military threat to U.S. vital interests in Asia may be one that has received somewhat less attention: the growing capability of China’s missile forces to strike U.S. bases.”⁹³

The purpose of these supporting fires, as articulated in “Joint Fire Strike Campaign” doctrine would be to coordinate and synchronize anti-ship ballistic and cruise missiles, land-attack cruise missiles, air strikes with precision-guided munitions, and counter-C4ISR strikes with specialized weapons. These fires would facilitate the main objective of seizing the Senkaku Islands and isolating Japanese and U.S. military forces arrayed across the region.

PLA Informatization Department and Strategic Support Forces (SSF)

An equally important element of China’s warfighting strategy is what the PLA calls “Informatization”, which is at the core of everything it wants to accomplish, especially in a “short, sharp war” against the Senkaku Islands. From high-tech missions in space and cyberspace, to long-range precision kinetic and non-kinetic strike to naval war-at-sea operations, “the ability to transmit, process, and receive information is a vital enabler.”⁹⁴ PLA strategy addresses Informatization in its offensive combat and “counter intervention” operations.

Reforms to the PLA Informatization Department began in 2015 and are expected to be complete

⁹³ Thomas Shugart, Commander, U.S. Navy, “Has China Been Practicing Pre-Emptive Missiles Strikes Against U.S. Bases?”, *War On the Rocks*, 6 February 2017, <https://warontherocks.com/2017/02/has-china-been-practicing-preemptive-missile-strikes-against-u-s-bases/>

⁹⁴ Elsa Kania and John Costello, “China’s Quest for Informatization Drives PLA Reforms”, *Diplomat*, 4 March 2017, <http://thediplomat.com/2017/03/chinas-quest-for-informatization-drives-pla-reforms/>

by 2020 when lines of responsibility are further delineated with the newly- created Strategic Support Force. While the Informatization Department's mission has "traditionally been invested in the Information Assurance Base (信息保障基地), which has remained under the Information and Communications Bureau", the SSF's mission is reportedly focused on "strategic-level information support" for "space, cyber, electronic, and psychological warfare".⁹⁵

The SSF is a critical enabler for joint operations through this mission of strategic-level information support. The SSF has also assumed responsibilities for strategic information warfare. Although usually discussed in the context of a Taiwan contingency, China's cyber forces would play a critical role in any "counter-intervention" (fan jieru; 反介入) strategy against both U.S. and Japan in a Senkaku conflict. The two organizations responsible for this, 3PLA and 4PLA, are both confirmed to be subordinated to the SSF.⁹⁶

With regards to electronic warfare, China has invested heavily in counter-satellite electronic warfare capabilities to force a "no satellite, no fight" environment for the United States, while the role the SSF takes regarding space warfare is less clear. Clearly, the SSF has consolidated the management and control over space-based ISR assets—and it may also have non-kinetic ASATs, such as directed energy weapons. Given the 4PLA is confirmed to be under the SSF and given the force's role in space and EW, it's clear that one of its main missions will be strategic denial of the electro-magnetic spectrum.⁹⁷

China has also taken very real steps to empower their psychological warfare forces, most notably the "three warfares" base or 311 base, located in Fuzhou. This base has been brought under the SSF and is integrated with China's cyber forces. Chinese strategic literature has particularly emphasized the role of psychological operations, legal warfare, and public opinion warfare to subdue an enemy ahead of conflict or ensure victory if conflict breaks out. The operationalization of psyops with cyber is key to this strategy.⁹⁸

The fight for "Public Opinion" will be the PRC's "second battlefield." Prior to initiating its offensive, China will begin worldwide psychological operations and public opinion warfare as part of a concerted Political Warfare campaign. Chinese front organizations and other sympathizers, along with both Chinese and other-nation mass information channels such as the internet, television, and radio, will be used. The focus of these influence operations will be to support China's position and demonize the U.S. and Japan. Internally, this campaign will be important in mobilizing mass support for the "righteous" action, while externally the campaign will attempt to gain support for China's position. This Political Warfare campaign will continue through the island operation, and after--regardless of the success or failure of the operation.

Ultimately the purpose of these organizations is to ensure the sanctity of national and theater

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid.

level command and control as well as enhance the warfighting effectiveness of each of the individual services. In the confines of a “short, sharp war” against the Senkaku Islands these “invisible” forces will provide precise situational awareness, target identification of opposing forces, network defenses, and real-time command and control that will enable the PLA to take and hold the Senkaku Islands.

An example of these efforts was revealed in 2014 when PLA established a permanent joint operations command center (JOC) responsible for integrating the operations of its army, navy and air forces. It was the first time such a JOC had been established and is seen as being able to “boost the unified operations of Chinese capabilities on land, sea, air and in dealing with strategic missile operations.”⁹⁹ When combined with President Xi’s other PLA reforms, it seems clear that China’s ability to command and control all of its forces in a “short, sharp war” scenario against the Senkakus is well established and practiced.

PLA Exercise Scenario

One of the more contentious elements of my 2014 speech was when I made the assertion that the PLA exercise “Mission Action 2013” was linked to the PLA having been given a task to conduct a “short sharp war against the Senkaku Islands. Some scholars criticized this analysis, asserting that if the “PLA wanted to attack the Senkakus, the operation would not look like Mission Action 2013. Moreover, any attack begs the issue of how China would defend and supply forces isolated on islands 200 miles from its coast.”¹⁰⁰ While leaving themselves an escape clause suggesting that maybe someday the Chinese might be able to conduct such an operation, their analytic error was in discounting the possibility the PLA could use a training exercises like “Mission Action” for other targets than just Taiwan.

It is important to note that since 2014 the PLA has conducted several large-scale exercises that could very well be rehearsals for a Senkaku Islands campaign. Of greater concern, these exercises could also be intended as a deception campaign, designed to lure U.S and Japanese audiences into complacency, so that when the actual “short, sharp” Senkaku Islands campaign commences, it is mistaken for “just another exercise.”

Whether it is the Mission Action (Shiming Xingdong), Joint Action (Lianhe Xingdong), Stride (Kuayue), or even the Firepower (Huoli) series, the PLA is actively training its forces “to improve joint integrated operational capabilities by collecting data to support training and doctrinal development and then implement lessons learned from training assessments and evaluations.”¹⁰¹

⁹⁹ “Chinese military set up joint operations command center: sources”, *Kyodo*, 7 August 2014, <http://www.japantimes.co.jp/news/2014/08/07/asia-pacific/chinese-military-set-joint-operations-command-center-sources/#.WOUjuBhh2gA>

¹⁰⁰ Jonathan Pollack and Dennis Blasko, “Is China Preparing for a “Short, Sharp War” Against Japan?”, *Brookings*, 25 February 2014, <http://www.brookings.edu/research/opinions/2014/02/25-mission-action-2013-jpollack>

¹⁰¹ U.S. China Economic and Security Review Commission 2016 Annual Report to Congress, p. 288

The PLA conducts its exercises under as close to “actual combat conditions” as possible for supporting research and development for future training and operational methods, but also as means to overcome lack of combat experience.¹⁰²

During these exercises the PLA focuses on skill sets including command and control, logistics, civil-military integration, joint campaign planning, long-range firepower and precision strike, deployment of special operational forces, reconnaissance, information warfare, electronic warfare, long-range mobility, and reconnaissance operations to name a few.¹⁰³

Decade of Concern

Given the Communist Party’s desire for so-called “restoration” of territory, then we must ask: How long will the PRC wait to celebrate the achievement of their goal of national rejuvenation and restoration?

Some have argued (like Mike Pillsbury) that China desires to celebrate the complete restoration of their nation by the 100th anniversary of the establishment of the People’s Republic of China in 2049.

Given that assumption, the next logical question is: What will happen if Beijing is unable to achieve complete restoration *via* non-violent means?

It seems clear that Beijing would prefer to acquire their perceived outstanding territorial areas without “firing a shot”, as they were successful at doing at Scarborough Shoal and with the creation of their seven “New Spratly Islands”. But what if Japan or Taiwan doesn’t acquiesce? Will Beijing be inclined to use military force if their strategy runs afoul of a nation that does not bend to the non-kinetic methods of China’s Comprehensive National Power?

More simply, how long can Beijing go before they believe they will have to use military force in order to achieve their ultimate goal of national restoration?

For the last five years I have postulated a new theory entitled the “Decade of Concern”. Central to the theory is the belief that China has calculated a timeline for when they could use military force at the latest possible moment AND still be able to conduct a grand ceremony commemorating their national restoration in 2049. (Figure 4)

I believe China’s leaders have a template for calculating that date and it is the time period from Tiananmen Square to the 2008 Olympics.

As you recall in 1989, the international community largely condemned Beijing’s actions of

¹⁰² Ibid.

¹⁰³ Ibid.

slaughtering its own citizens at Tiananmen Square. Yet, just 19 years later the world's leaders flocked to Beijing to attend the opening ceremony of the 2008 Beijing Olympics.

Remember the scene on August 8th 2008 at the Bird's Nest stadium?

There were tens of thousands of people in the seats watching one of the most impressive Olympic opening ceremonies in history. There at the top of the stadium, in a cool, air-conditioned skybox were the nine members of the Standing Committee of the Politburo (PBCS), looking down over the masses of humanity. At the center of the PBSC was President Hu Jintao, wearing his black Mao suit. President Hu was cool, calm, and collected and what did he see down in those seats, in the 95-degree temperature and 95% humidity?

Why, it was the President of the United States, with big sweat stains under his armpits, who later went on to describe the event as being "spectacular and successful".¹⁰⁴

What was the strategic message from this event? I believe it reinforced a belief among China's leadership that the West has a short-attention span regarding issues such as crimes against humanity and vicious misuse of military force. In short, Beijing believes the West can be counted on to forget even the most barbarous actions after about a 20-year time span.

Given that logic, then the latest Beijing could use military force to physically restore their perceived territory would be around 2030. This would then allow for 20 years of "peace" before Beijing would conduct a grand ceremony to memorialize the "second 100"—the 100th anniversary of the People's Republic of China.

Which leads to the question of when is the earliest China could use military power?

Well, given the current environment and readiness of the PLA, it literally could start at any time. However, a more precise answer is 2020.

As referenced earlier, all-source analysis strongly indicates the PLA has, over the past decade, been given the strategic task of being able to take Taiwan by force by 2020. If the PLA is able to take Taiwan by force in 2020, then it stands to reason that a "lesser included" task to seize the Senkaku Islands would also be something the PLA could achieve.

Which brings us back full-circle to the "Decade of Concern". I believe that starting in 2020, there will be pressure within China to use military force in order to achieve the "China Dream" of national restoration by 2049. The chorus for the use of force will grow each year and will crescendo in the late 2020s and possibly end in a violent clash to seize Taiwan and the Senkakus...or any other area Beijing deems to be a "core interest".

¹⁰⁴ "News Feature: Bush blends sports, politics at Beijing Olympics", *Xinhua*, 11 August 2008, <http://news.xinhuanet.com/english/2008-08/11/content_9182335_1.htm>

Conclusion—Recommendations

Given China's strategic intention to restore its so-called territorial integrity, its modernization and transformation of the PLA, and its commitment to a pre-determined timeline prompt the question: What can be done to dissuade, deter, or in the worst case defeat a Chinese "short, sharp war" against the Senkaku Islands and the Nansei Shoto?

The answers to this question fall into two categories: 1) those the United States can take on its own and 2) those that it can propose or pursue jointly with Japan. My subsequent recommendations will first address those unilateral actions that the United States can make, followed by those that are suggestive in nature with Japan.

First, and foremost, there needs to be a fundamental transformation in the U.S. national security "culture" of how we deal with China, one that acknowledges that China is the biggest threat to our national security interest. The new administration should declare that U.S.-China relations have entered a new period. We do not need to explicitly reject "new type of great power relationship" asserted by President Xi, but we would implicitly reject it by affirming that the United States relationship with all countries, both great and small, is based on U.S. core interests in respect for international law, Westphalian rights, and negotiated dispute resolution without coercion, with resort to third parties when bilateral negotiations fail. The United States should explicitly support the July 12th, 2016 ruling of the Permanent Court of Arbitration, and explicitly reject all claims that conflict with it. Given the dire nature of not just the Senkaku Island situation, but all the other diplomatic, financial, economic, legal and human rights points of friction that have emerged since U.S.-PRC relations were established in 1979, America must now deal with the PRC from a position of strength, one in which we assert our core interests just as the PRC relentlessly does, if not more so.

Regarding the Senkaku Islands, this means the U.S. will not simply say that the Senkaku Islands are covered under Article 5 of the U.S.-Japan Mutual Defense Treaty. The U.S. must say we will actively and aggressively reinforce the U.S. commitment to use military force against China should it ever attempt to conduct a "short, sharp war" or occupation by military or non-traditional forces.

Second, it also means actively and routinely re-asserting U.S. naval operations in the Indo-Asia Pacific region. There should be no more walking on egg shells, worrying about whether or not routine actions in the Indo-Asia Pacific region are "provoking" China. Beijing has deftly turned that fear into a tool to manipulate the U.S. As an example, the U.S. Pacific Fleet should resume routine operations in the East China Sea, returning to pre-2000 levels where U.S. Navy warships routinely operated west of the Median Line, as well as in the Yellow Sea.

Third, while seemingly unrelated, suggestions for recalibrating the United States China Policy, regardless of whether we call it by Beijing's title of "One China Policy" or something else, should be openly explored if for no other reason to remind Beijing that threats to Japan will have

far ranging and significant consequences. For instance, the notion that U.S. warships cannot make the occasional port call in Taiwan needs to be honestly examined, discussed with our friends in Taiwan, and if deemed appropriate then executed without fanfare or advance notification.

The message to China should be that freedom of navigation and free access to ports is a core interest of the United States and that the U.S. is not going to be constrained by Beijing's threats.

Closely related to this topic, the U.S. must end the practice of "unconstrained engagement" with China by the Department of Defense. Specifically, the U.S. should suspend China's invitation to the "Rim of the Pacific" (RIMPAC) exercises until Beijing alters its threatening behavior, economic sanctions, hate campaigns, and rhetoric against our allies Japan and the Republic of Korea. RIMPAC should be returned to its origins as an exercise by which the free nations of the world practice the combat skills to deter lawless expansionism of dictatorships, rather than the naval social event. It is simply astonishing that we do not invite our allies, Thailand, because their democracy does not meet our standards, yet we invite the Chinese and host them even as they simultaneously aggress our allies and others.

Fourth, given that this "cultural" change is a national issue, one driven from the top down by the President, it will also require the Congress to adequately fund the Department of Defense. A U.S. return to a strategy which accommodates two major contingency operations is required to drive the national security planning and acquisition process, thus enabling for full funding of the unique military requirements for fighting and defeating any PRC attempt to take the Senkakus, as well as any other PRC attempt to use force to alter the Indo-Asia Pacific status quo.

In this regard, America needs to return to being a truly global maritime power. We carelessly neglected this vital aspect of America's national power during the past two plus decades of emphasis on the CENTCOM area of responsibility. While the U.S. Navy can dispatch ships around the globe, today, the U.S. Navy is not adequately sized or outfitted to meet U.S. national security requirements in the Indo-Asia Pacific region. Even worse, it is certainly debatable whether or not the U.S. could stop a Chinese "short, sharp war" against the Senkaku Islands. The PLA Navy likely will have over 500 ships and submarines by 2030. In order to provide a credible deterrent force and to fight and win wars at sea, the U.S. Navy must get bigger...a lot bigger than the current plan for 350 ships.

Fifth, the new administration should proclaim its commitment to a forward deployed presence, especially for our naval forces, and then it should follow these fine words with concrete, tangible actions. Not only are these necessary to bolster the flagging confidence of U.S. allies, it will also send a clear and unambiguous statement to China. In addition to the current forward deployed force structure, new options can also range from home-porting a second U.S. Navy aircraft carrier in Guam to home-porting ships in South Korea, and forward deploying ballistic missile defense systems (like the Terminal High Altitude Area Defense system) in Japan.

Sixth, and closely aligned, is a commitment to conduct more robust and public information campaign to provide an accurate portrayal of China's campaign to expand its maritime sovereignty at the expense of its neighbors and our allies Maritime Intelligence Operations. While the introduction of the P-8 aircraft and the soon-to-be-deployed Triton Unmanned Aerial Vehicle have improved U.S. Department of Defense Title 10 collection capabilities in the Indo-Asia Pacific region, overall the U.S. has displayed a conspicuous lack of will to publicly report the PRC's actions in the maritime domain. For instance, during the recent deployment of China's aircraft carrier *Liaoning*, U.S. PACOM did not provide unclassified pictures of China's inaugural carrier flight operations in the open ocean, even though reconnaissance flights had most probably been conducted. Our reluctance to tell the truth about Beijing's bad behavior needs to end.

There is a tremendous amount of scholarly documentation regarding China's military pursuits, led by experts in think tanks and academia, but even this research is grossly inadequate for truly understanding China's military.¹⁰⁵

Although this information shortfall cannot be faulted due to the secret nature of many of the movements of Chinese naval, coast guard, and militia forces across the vastness of the world's oceans, we do have institutions whose primary mission is to observe such things and to compile databases regarding these activities.

It is a responsibility of the U.S. Navy to know the answers to these secrets, to track ships, submarines and aircraft at sea. Even with U.S. government leaders, civilian and military, being the first priority, U.S. Navy intelligence has the capability and capacity to provide the kinds of primary source material that the academic and think-tank community needs to better and effectively comprehend China's nautical ambitions.¹⁰⁶

Sharing sanitized and declassified information "would not only improve the quality of scholarship and elevate the public debate, it would also go a long way to help frustrate China's current—and, to date, unanswered—strategy of quiet, coercive-expansion", especially as it relates to China's tightening noose around the Senkaku Islands.¹⁰⁷

As a former Director of Intelligence and Information Operations for the U.S. Pacific Fleet, I remain convinced that "sharing information about the movements and activities of Chinese forces could be done without compromising the secrecy of the sources and methods used to collect it."¹⁰⁸

Also on this point, the sharing of facts about Chinese activities at sea is not just good for democracy, but it is also smart diplomacy. "Making such information widely available would

¹⁰⁵ James E. Fanell and Ryan Martison, "Countering Chinese Expansion Through Mass Enlightenment", *Center for International Maritime Security*, 18 October 2016, <http://cimsec.org/countering-chinese-expansion-mass-enlightenment/28781>

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

help counter spurious Chinese narratives of American actions as being the root cause of instability in the Western Pacific. Both outcomes are in our national interest.”¹⁰⁹

According to U.S. doctrine Phase 0, “shaping operations”, are intended to shape the public perception environment, which should also drive what an adversary military can and cannot do. By allowing China to operate clandestinely in the South and East China Seas, the U.S. is foregoing an important opportunity of increasing its own soft power while degrading China’s soft power. By providing such damaging information to the public, the USN will better inform the public and provide U.S. leadership with bargaining leverage over China.

Seventh, the U.S. could encourage and support Japan’s efforts to physically occupy the Senkaku Islands. Some will suggest that by adopting such a strategy Japan would cross a “red line” and thus force China to act militarily. However, given China’s methodological approach to military campaign planning, it is more likely that Beijing would reconsider the military correlation of forces as well as the international implications for launching an attack against occupied islands.

Practically speaking, the U.S. should encourage Japan to construct permanent facilities like a weather station, lighthouses, heliports, and a harbor across the Senkakus, as well as station personnel on the islands. The effect of Japan taking these actions on the islands today, will lead to deterrence in the future. As has been recommended, “a proactive policy is necessary now. Proactive does not mean aggressive (just as caution, in this case, has not translated into greater security). Indeed, one cannot be “aggressive” in exercising one’s sovereign rights over one’s own territory. Proactive is thoughtful and consistent—and the time has come to move away from caution and towards a proactive approach to securing the Senkakus as the rightful territory of Japan.”¹¹⁰

Eighth, the United States should offer Japan to conduct joint operations in defense of the Senkaku Islands. The basic definition of an alliance is that aggression against one is an attack on all, but the PRC aims to reduce our alliances to friendship agreements. The statement that the “U.S. takes no sides” on a sovereignty dispute involving an ally is illogical; an alliance is the taking of a side. Like marriage, it means something. Our disingenuous quibbling over issues such as the sovereignty of Scarborough Reef, Mischief Reef, and the Senkakus is an invitation for China’s expansionism. China has become bold in its campaign to diminish our alliances. Just this month, China is challenging the right of South Korea to defend itself from North Korean nuclear missiles.

For instance, U.S. Pacific warships could conduct “over-the-horizon” patrols of the Senkaku Islands with their counterparts from JMSDF and JCG. Likewise, American fighter aircraft from the U.S. Air Force, Navy and Marine Corps could be integrated with their counterparts from the

¹⁰⁹ Ibid.

¹¹⁰ Robert D. Eldridge, PhD, “Opinion: Japan Needs a Policy for the Senkakus”, *Japan Forward*, 29 March 2017, <http://japan-forward.com/opinion-japan-needs-a-policy-for-the-senkakus/>

JASDF when scrambling against Chinese probes of Japan's ADIZ and the areas around the Senkaku Islands. And perhaps most important, U.S. Marines and the amphibious-trained Japanese Ground Self Defense Force Southwest Army should conduct amphibious assault training exercises together in the Senkakus to demonstrate that if the islands were occupied by Chinese forces, the combined U.S. and Japan forces have the capability and will to retake the islands with "boots on the ground and bayonets".

By offering these services, the U.S. would not only be helping to relieve the stress that their Japanese counterparts are experiencing, but it would be a significant enhancement in the interoperability between both forces. Finally, it would send another clear and unambiguous signal to China that if they were foolish enough to attempt such an attack, they would be facing an extremely integrated, competent and committed fighting force.

In conclusion, PRC action against the Senkaku Islands is just a matter of time as Beijing tightens its noose around them. We are very close to beginning the "decade of concern", when it will become increasingly likely that China could launch a "short, sharp war" to take the Senkaku Islands and put the Nansei Shoto under missile and air assault. Accordingly, these recommendations should be immediately explored and acted upon by Congress. I will be happy to help you expand upon them, and to build more to ensure the U.S. is capable of responding to China's increasing threats and destabilization of the peace and stability of the Indo-Asia Pacific.

PANEL II QUESTION AND ANSWER

VICE CHAIRMAN SHEA: Thank you, Captain, and thanks to all of our witnesses. Our first question comes from Senator Goodwin.

HEARING CO-CHAIR GOODWIN: Thank you, gentlemen. Appreciate your time today.

Mr. Easton, I was interested to read an article you wrote a couple years ago entitled "South China Sea is Not Beijing's Battlefield," where you talk about the provocations and actions that China has taken in that region in the South China Sea and the responses by the United States, including at the Pentagon and the State Department, increased partnerships with countries in the region, Marine Corps establishing presence in Philippines, Australia, and so forth.

You raise the possibility that inevitably the Chinese provocations have directed attention and focused American attention on the events in the South China Sea. But you raise the question whether that's intentional and whether it is all a deception to distract away from what may remain the primary driver in Chinese military planning and contingency planning which is Taiwan.

Talk a little bit about that, and I'd welcome your fellow witnesses' reaction to the suggestion that some of these actions in the South China Sea may be simply diversions.

MR. EASTON: Senator Goodwin, thank you for that excellent question, a very difficult question.

I do maintain my belief that for the PLA since 1993 until today and for as far as the eye can see, the central flashpoint, the central trigger, central training scenario that they work through and that they think about and they train to, is the invasion and occupation of Taiwan, both fighting against Taiwan's military, the ROC military, and also fighting against the United States military in that contingency.

When you look at doctrinal materials that the PLA has produced, operational concepts that they've produced, it is clear that they do think about the South China Sea, and clearly when you look at the militarization and expansion, the buildup that has gone on in this area, it's clear that they are thinking about it.

But in terms of the major flashpoint, the major challenge for the PLA, it's not the South China Sea. From the PLA's perspective, a naval campaign in the South China Sea would be relatively easy, and it would be a low to medium-scale conflict. It would not be the high-end joint fight that the PLA is reorganizing for.

That's my view, sir.

HEARING CO-CHAIR GOODWIN: Captain.

CAPT FANELLE: Yeah, I actually agree with Ian in the sense that I'll just make this provocative statement: I think China is satisfied with what they've done in the South China Sea and they control it now so there is no reason to have any more tension. They've built their islands, seven new islands; they control kind of what comes in and out.

Since 2015, since the USS Lassen's announced FONOP in October of 2015, we've had four FONOPs and two or three carrier operations in the South China Sea, and each one of those has been shadowed and observed by Chinese naval forces and air forces.

When I was the Pacific Fleet Director of Intelligence and the Seventh Fleet Director of

Intelligence and the CTF 70 Director of Intelligence on the Kitty Hawk over the last 15 years, that never happened, and it didn't happen going back for a hundred years. We operated in the South China Sea, and we didn't have people following us around. Today China follows us around. The correlations of forces have shifted. They have more assets on a daily basis in the South China Sea. They have three permanent naval airfields. They have three deepwater ports. They have access for their submarines to get out from Hainan and operate freely.

So while they're not shooting at us and while they're not, you know, challenging us and saying we can't be there, in some sense, they are. Last year, they canceled the Stennis port call into Hong Kong because it wasn't officially stated, but we all know it was because the Stennis had been operating down in the South China Sea and China doesn't like that.

From their perspective, though, they don't need to escalate that any more. They've got their position. They've got their chess pieces in place so they are looking, and they still have to get a couple of other big pieces, and Taiwan is the big one.

DR. YUNG: I agree that Taiwan remains their number one planning concern. However, I do have a slightly different interpretation of what I think China's strategy is with regard to all of these hotspots.

I think that the Chinese recognize that Taiwan is a central element, but they also recognize that there are other scenarios they have to address. And so if you look at acquisition patterns of the Chinese military, they could have probably resolved the Taiwan issue, and I mentioned before about the lack of sufficient amphibious lift.

They could have taken care of this problem years ago by simply saying Taiwan is our number one contingency. We're going to put everything we have towards that contingency. They haven't. They've put acquisition towards a number of different platforms and areas because they're trying to address a range of military scenarios.

So, yes, I agree that Taiwan is a central element and they're planning towards it, but they also have a South China Sea scenario, they've got an East China Sea, and then actions in the Indian Ocean as well. So I think part of China's strategy is to spread the risk across a number of different scenarios, and so I don't think it's a matter of addressing South China Sea as a distraction for Taiwan. I think they actually are trying to say, all right, if South China Sea happens, what military capabilities do we need to address that?

If we have a conflict in the Indian Ocean, what military capabilities do we need to deal with that conflict as well? And so I think they're trying to spread their risk across a number of different scenarios, and that requires, and as we all know, budgetary planning and defense planning can take a long time, and it takes also inter-service rivalry.

We need to bring that into play. The services fight with each other over what should be the primary focus on their defense acquisition. So I would like to introduce that as an element in the thinking with regard to thinking how China plans out how it's going to face these scenarios.

VICE CHAIRMAN SHEA: Okay. Dr. Wortzel.

COMMISSIONER WORTZEL: Chris, I want to go to your scenarios or your discussion on long-term calculus on pages one and two of your written testimony, and the third point you raise is that China could seek to distract the Chinese population from severe economic problems by conducting a campaign against Taiwan. It strikes me that's kind of risky because if it's a blockade campaign, you get into counter-blockade. If it's island invasion, you might lose.

So I'd like to draw your thinking out on what type of campaign might be possible that would both distract the Chinese population and not bring about a really strong reaction from the U.S. that would only worsen this economic problem?

DR. YUNG: So let me preface my answer by indicating, in my written testimony, I had indicated that that is the least likely of the motivations for the Chinese leadership, and, in fact, China scholars when they look at potential motivations, a diversionary theory of war with regard to China is rare in Chinese history. It's rare, and I believe in my written testimony, I also pointed out that the best possible comparison, the Great Proletarian Cultural Revolution when China was practically falling apart and coming apart at the seams, they still didn't take on an adventurous foreign policy.

So let me preface whatever response I have --which I think the defense scholars' consensus is--is that it's the least likely that China pursues diversions for its economics.

You're right. It would be tricky because any type of military conflict that China is likely to involve with, if it's going to be with the United States, with Japan, or any other countries, is going to have a hit on the world economy. So I would say that whatever scenario we're talking about, the Chinese have already concluded that they're taking a hit right now.

And I guess what I would do is I would wrap it around the fact that a conflict with the United States is probably going to lead--I think the prediction is something like four percent of global GDP drops as a result of that.

I think the only way I could possibly reasonably answer your question, Dr. Wortzel, is that the Chinese might use that as a, well, you know, we are riding down the middle of a very difficult situation. Our economics has already dropped. We can blame the United States and other powers --you named the policy that could lead to some difficulties that China might be having, and then they would tie a conflict with the United States, global GDP dropping, and it would somehow blur the fact that the PRC leadership has either mismanaged the economy or has taken some step that would lead to greater economic suffering for the people.

That's how I would see that laying out. Again, I would argue that that's a very unlikely--as you pointed out, it is very risky, and so the least likely motivation for the Chinese to engage in conflict.

I would refer primarily to the other two possibilities. One, Taiwan leadership doing something. Either they push for a greater independence, pushing for greater political autonomy. And then, secondly, something happens that erodes or actually endangers the Chinese Communist Party's political legitimacy, which almost forces them to take some sort of action. To me, those are the two more likely scenarios that would lead to conflict.

COMMISSIONER WORTZEL: Thank you.

VICE CHAIRMAN SHEA: Okay. Thank you.

Dr. Tobin.

COMMISSIONER TOBIN: Great. Thank you, gentlemen, all of you, for your analysis.

On this round, I'd like to direct my question to Dr. Yung. You mentioned in your conclusion that prior to any full-scale assault, the PLA would undertake a long-term campaign of coercion against Taiwan that would include extensive political warfare, cyber attacks, espionage, military demonstrations, in conjunction with a whole-of-government approach.

A couple of questions to follow that. One, you might want to expand on that to inform

us. Two, some of that is already underway it seems to me, and are we actively monitoring that and making that public? You know if it's their part, there is no reason why we can't make that public because some of it should be pretty obvious.

And how do you deal with the fact that over the last five years or so, all the surveys are showing that the Taiwanese people think of themselves as Taiwanese, and I know you know this, more than Chinese?

So if you could talk about this kind of campaign, what we the United States are doing and should do? And third, how that meshes up with the people of Taiwan?

DR. YUNG: So I'm of the opinion that the Chinese will refer to all of those measures you just listed and which I listed in my written testimony. That to me is the primary means of bringing about folding Taiwan back into China's sphere of influence. I think that to me is where the real rubber meets the road for now, and that a lot of the military developments being undertaken is meant to reinforce and coerce Taiwan back into the fold as well as to deter the United States.

So, yes, the question you asked is how would China go about engaging in this type of political warfare against Taiwan right now, and I think right now it's very prevalent through social media, through their print media, through the interaction, what the Chinese leadership says, and some very subtle actions that we've witnessed since the election of Tsai Ing-wen to the presidency.

There had been a hiatus of competition for countries recognizing Taiwan. China, during the Ma Ying-jeou administration, had essentially put a moratorium on that type of competition. China was not going out and poaching the countries that continued to recognize Taiwan.

Once President Tsai was elected, that type of activity started emerging again. You also saw it with regard to a few Taiwan citizens who had been arrested by some governments. I believe it was in Africa, and China insisted that those citizens be repatriated to--

COMMISSIONER TOBIN: To China.

DR. YUNG: --to China. Now, interestingly enough, some of my Taiwan friends have said let them have them. Those are criminals. They can have them. Why do we have an issue with this? So I thought that was a very interesting response.

But this type of campaign, primarily the social media campaign, is prevalent and is quite active. And before I talk about the U.S. response and our awareness, the question I would first pose is how aware are the Taiwanese that this is happening? And they are very aware. Particularly the Taiwan military is very much aware of this type of campaign going on, and they are very much focused on citizen resiliency, armed forces resiliency, how to address that, and how to track this type of action.

And so the Taiwan military is very much aware. Now to the extent that the U.S. is aware, yeah, people who watch China-Taiwan issues are very much aware that this type of activity goes on. It's unclear to me how much our political leadership is aware of that type of activity.

COMMISSIONER TOBIN: That's why I want to bring it out.

DR. YUNG: Now if you bring in a China specialist, we will, of course, say yes, this type of activity goes on, and I'm certain that our leadership at the Office of Secretary of Defense or even the State Department are probably aware it goes on. Now, whether or not the United States can mount an effective counter-campaign to that probably runs into a whole host of political,

foreign policy, and maybe even legal issues on how you respond to China broadcasting or conducting this type of campaign against Taiwan.

But I would say yes, our experts are very well aware of it. Our leadership perhaps at the OSD policy level, perhaps at the State Department, are aware of it. But again I'm not sure to what extent the Trump administration or perhaps even the Obama administration was truly aware the extent to which this was going on.

COMMISSIONER TOBIN: One of the reasons I want to bring that out is--and, Captain Fanell, in some of your writings you've talked about how we have not declared certain things to be going on-- that it strikes us, or me, at least, as potentially valuable to get it on the citizen or at least the administration's radar.

Thank you.

VICE CHAIRMAN SHEA: Okay. Commissioner Cleveland.

COMMISSIONER CLEVELAND: Mr. Easton, you described in your testimony a rapid buildup after an initial assault. I notice there's no real time frame in any of your testimony so I'm curious when you say that there will be a rapid buildup to secure the islands, what you envision in terms of a time table?

MR. EASTON: Well, that is an excellent question. And it's a very difficult question to answer because Chinese materials will never provide a time table. In years and years of looking at operational concepts, at doctrine, I've never seen a good time table, either one that lays out what might happen in terms of days or weeks or months or even hours.

In this envisioned campaign, however, I would anticipate it to happen very rapidly, within a day or two. An actual amphibious assault and combat operations would probably start around dawn, and they would probably be over well before noon, and then you would have at that point the mobilization that had already started would really spike, whether it was in the Paracel and Spratly Islands, some of China's bases there, and then the inflow of materials that would take place.

It seems unlikely that China would mobilize a significant number of forces in advance, and by significant, I mean more than would be required, the minimum requirement to seize the islands in question, simply because mobilization would really tip their hand. It is one of the first things that we or others would look to in terms of indications and warning, strategic warning.

Once we see the Chinese mobilize, for example, their two Marine brigades at Zhanjiang or mobilize a significant number of amphibious assets, ships, once we see fighter units moving to Hainan Island or to the Spratlys, helicopter units moving there, that would really tip the Chinese hand. And so I would expect minimum mobilization and minimum warning to be their objective, and that would require using a relatively small force followed by rapid mobilization afterwards in order to build up the island or islands that they had seized.

COMMISSIONER CLEVELAND: It presents limited opportunities for intervention if indeed that scenario plays out.

Could any of you speak to whether or not you think Xi's or the PLA's calculations have changed in any way, understanding they play the long game, but do you think their calculations or thinking has changed by virtue of the Tomahawk strikes in Syria with Xi being in the room when this took place? Maybe the better question is how do you see that incorporated into their thinking about these scenarios?

CAPT FANELL: Commissioner, to answer your question, I think that they've been calculating Tomahawk strikes for years. They've seen the first use of Tomahawks over 20 years ago, and they know quite well about them. And that's why they have built up an air defense umbrella from Beijing to Tianjin across the Shandong, down the entire coast, now even down into the South China Sea, and now on to their new islands.

They have the capacity. They're not quite there yet with some of those long-range surface-to-air missiles, but they can be deployed there rapidly. The ships that they deploy down there have the naval-based air defense capability.

So in a sense that they saw that used and it was demonstrated, there's a strategic political dynamic there that they may be calculating. But in terms of the technical capabilities to be aware of, how do you defend against a slow-moving subsonic, you know, fairly easy to shoot down TLAM, they're quite comfortable with dealing with that.

COMMISSIONER CLEVELAND: I think I'm thinking more in terms of the strategic political calculus rather than the fact that they have the capability to respond, the military and tactical capability. Do you think it had an impact on their political thinking?

CAPT FANELL: I think it does. I think it definitely makes them sit back and they do everything through scientific development. So there will be many people working overtime to calculate so what does this mean in terms of some of our war plans that we've had and how do we adjust for this if they decide to, for instance, start lobbing TLAMs into Fiery Cross or Mischief or Subi.

Before those military resources are completely installed or right when they get installed, they may now have to consider that. But again I think they'll get back to this military dimension of where they think they can defeat it.

DR. YUNG: Let me address that from the more grand strategic side of the house. I think with the new administration, as with many of the countries in the Asia-Pacific, there was a bit of uncertainty as to whether or not the United States was committed to certain things based on just preliminary statements from the administration.

And so I think one of the biggest effect this probably has is on a hardening or increasing view that the administration is moving towards perhaps a more centrist, national security-oriented, hawkish foreign policy reflected by previous Republican administrations, something that they can understand, because I think, again, to create the context, they weren't entirely certain, from most of my discussions with the PLA or with Chinese scholars, they just weren't certain exactly what the United States was willing to use force on. They weren't entirely certain what foreign policy principles we're standing on.

And my response to them has often been new administration, they're trying to work things out; they're trying to develop doctrine; they're trying to develop a sense of where we're going. So insofar as the United States had a firmer stand on Syria and has a traditional harder stance with regard to Russia, and in addition, use of force against Syria, I think that has convinced many Chinese that we are moving, particularly with new appointments coming into the administration, I think that's convinced the Chinese that, okay, we think we understand where the direction of the U.S. foreign policy is going.

They're moving, considering especially the appointments that have now come into the Trump administration, they are now seeing, okay, this sounds like a Republican hawkish national

security-oriented foreign policy that we understand. This looks more like a Reagan, G.W. Bush, H.W. Bush administration with traditional stands on the need to be more activist in our foreign policy and the willingness to use force in defense of those foreign policy principles.

So insofar as those strikes and a shift in foreign policy statements by the administration, that I think has convinced the Chinese or either reaffirmed their view on the direction this administration is going in and where U.S. foreign policy is going in.

COMMISSIONER CLEVELAND: Mr. Easton.

MR. EASTON: And there's another important element to consider. Syria was protected, still is protected by two S-400 batteries. This is the most advanced air defense system that Russia offers. It's the most advanced air system that China has for strategic air defense. The same system that would protect Beijing or other joint operational command centers in China was now for the first time tested in Syria, and the U.S. Navy had no problem at all getting all the Tomahawks through that system, unopposed, to their targets.

I'm sure to the extent that Chairman Xi thinks about issues such as strategic air defense in his own, the air umbrella protecting him in a conflict situation within China, that must be unnerving to him.

COMMISSIONER CLEVELAND: Good.

COMMISSIONER TOBIN: That's interesting, interesting.

VICE CHAIRMAN SHEA: Sure.

COMMISSIONER CLEVELAND: I'd like in a couple of months to come back to you all in terms of the conceptualization of this administration's doctrine. I tend to think of it at this point as like defense acquisition: it's going to be spiral development. Yeah. I think that's a good characterization of it.

I do think that the fact that Xi was in Palm Beach at the time that this decision was made is critical, and so I'd be curious months from now how you see it reflected in both tactical and strategic thinking. So thanks.

VICE CHAIRMAN SHEA: Great. I'm going to take a question here. I'm going to put Captain Fanell in the hot seat, not the hotspot, but the hot seat. And I mean, , I'm going to do a little depressing thing, add another issue. We've talked about North Korea, Taiwan, South China Sea, Senkakus.

In your testimony, Captain, you talk about Xi Jinping's desire for the rejuvenation of the Chinese nation and wondering if the Ryukyu Islands are part of that? They did have a tributary relationship for centuries with China. Okinawa is obviously one of those islands. And is this something to be concerned of during the "Decade of Concern" of 2030? So that's one question.

Second question is just give us a sense of Japan's strategic calculation and what's their thinking? Are they satisfied with U.S. efforts? Do they want to do more? Do they want to do things differently?

And Mr. Easton can get into this third question as well because it has to do with the South China Sea and your comment, Captain, that the Chinese already control the South China Sea. So does that mean we should not worry about Scarborough Shoal, developments in Scarborough Shoal, or Second Thomas Shoal? So if you can handle those questions, I'd appreciate it.

CAPT FANELLE: Thank you, sir. Happy to answer these questions.

I think if you go back to that speech I gave in 2014, I was quoting Rear Admiral Yin Zhuo, who was talking on Chinese television in 2013, and he specifically mentioned that a "short sharp war" would entail the Ryukyus.

VICE CHAIRMAN SHEA: Really.

CAPT FANELL: So I think it's up to kind of this idea that what does national restoration and rejuvenation mean in the Chinese mind-set, and there I'm a little less clear. Does it actually mean physically possessing the Ryukyus or do the Ryukyus fall into that when you actually go after the Senkakus, and if your plan to do it with the Maritime Law Enforcement Forces doesn't go well, and you need to reinforce fires into the Ryukyus, now you've just pulled that thread on the sweater, so to speak, and you've got to go a little bit farther.

I have other indications, and I'll just say that it's very possible that the Ryukyus could also be part of one big swoop, but I think in terms of the way China tries to do things with this incremental escalation, if you will call it that, where they try to just stay under the radar, for them I think they could get with telling their population in 2049 when they have this ceremony to celebrate the 100th anniversary of the People's Republic, they want to be able to stand up there at Tiananmen, and whoever is the chairman then will stand up and say we are now whole, and that century and a half of humiliation is over, and we are restored totally.

And I think they can get away with that by just having the Senkakus, but it's possible in the operational execution of that that they may have to go after the Ryukyus. So that's how I would couch that. I don't have any other definitive information that says that's in their battle plan.

I have seen things that suggest that they actually are militarily planning for some acquisition of the Ryukyus. There are certain charts and maps where they show the Ryukyus as part of being part of China, and then the question becomes is it just the Ryukyus or how far up the Ryukyus does it go?

And so I think China at some semblance there would like to get these things without firing a shot. I think their goal is they don't want to fire a shot. So if they can get the Senkakus through having their Coast Guard and Maritime Law Enforcement Forces come in and physically take possession, and no shots are fired, like they did at Scarborough, they'll do that and record it as a win.

In terms of Japan's, if I--

VICE CHAIRMAN SHEA: Sure.

CAPT FANELL: --Japan's strategic calculation, the Japanese are very concerned. I was with former Chief of Naval Operations, Admiral Roughead, two days ago, and we were talking about this, and he said when you go to Japan today, and I was there in December, he said if you go to Japan today, it is not the Japan of 18 months ago. And so there is a rapidly changing perception in Japan of what China is doing.

They are sitting there on the front row. They see what's going on. It's not difficult in their calculus to look at this and say this is a direct threat against us, and then all you have to do is read what the Chinese say everyday about the Japanese and the vitriolic xenophobic hatred that they espouse daily in their international press, I mean the Japanese know what's coming.

So it's driving them to consider how do I defend myself, and so for the U.S., that means we have to make sure that alliance is reinforced and that there's no gap at all between the United

States and Japan when it comes to our commitments and that the Japanese understand that.

Finally, the South China Sea, no, I said my comment was provocative, and I meant it in the sense of trying to grab attention to say that in large part China has the military disposition established now, and so they don't have to necessarily take Second Thomas, but they are upset that Sierra Madre is sitting there.

They're upset that the Filipinos are operating in some of those islands, and they would like to someday build Scarborough into a Mischief or a Subi, one of those kind of scales. And they eventually do that. But right now they don't have to. They have President Duterte and an administration there that's sympathetic to their position, and so they don't have to press that.

So there's no dispute who controls the Scarborough reef today, Scarborough Shoal. There's no dispute. China controls that. They've controlled it since June 16, 2012. It's their territory. They took it from the Philippines, and we watched that happen. They have to take Second Thomas. Not yet. But they will someday.

VICE CHAIRMAN SHEA: Ian, do you want to?

MR. EASTON: I fully concur with that assessment. China would not be investing the resources that it's investing in the infrastructure that it's built up in the Spratly Islands and elsewhere, the Paracels as well. It would not have made those investments if it did not have some sort of at least vague, if not actually thought-out and written down, a strategy for ultimately taking one-by-one each of the islands currently controlled by the Philippines or by Vietnam or also Taiwan or by others.

I do believe that is their long-term strategic intention. I do not, however, believe that they view this as a trigger for all-out great power war with the United States. I think what they'll do is they will attack weak points. The Philippines just by nature of its internal problems, the counterinsurgency problems within the Philippines, by the nature of its relatively weak military and by virtue of the tensions at the strategic level between Washington and Manila right now, would obviously represent a very tempting target.

So I would not be surprised if, perhaps even in the near-term, China was to make a tactical move against Scarborough.

VICE CHAIRMAN SHEA: Dr. Yung.

DR. YUNG: Just to leverage off of what's just been said, yeah, I basically agree that the moves within the South China Sea are ultimately meant to involve control over the South China Sea. But I would argue that, and I think Ian was getting at this, that occupation of these different features and over time ultimately it becomes a fait accompli. That is no one is going to do anything about these forces being built up, and ultimately with the United States being unable to do anything about it unless we force the issue, the long-run strategy is ultimately to erode our credibility in the region.

That is, what's the purpose of having U.S. military presence in the region if we can't do anything about it? And so I absolutely agree with the testimony that these two gentlemen have just given, but I think ultimately the Chinese want the presence to increase just to show that the United States can't do anything about it.

So either we push the issue, which could escalate the crisis, or we leave Chinese military presence in those different features in the South China Sea and thereby displaying our ineptitude or our inability to do anything about it.

Ultimately, that accomplishes China's long-term goal, which is to say we're here, the United States isn't, and we're eroding, and the fact that you have a large-scale military presence in Japan or elsewhere is still irrelevant to you. And so I agree that there's a long-term strategy, which is ultimately to erode our credibility and to erode our usefulness in the region.

That puts us in a very difficult political-military position. Either we raise the issue, push the issue, in which case the Chinese then label us as troublemakers, provocateurs, or we don't say anything, and we try and say things like, okay, we need to have all the countries negotiate and discuss this matter, in which case the countries in the region say, look, the United States really is showing it can't do anything about it.

So the Chinese have put us in a very difficult political-military position, which really does fall in line with Chinese strategy, which is to accomplish their goals in the long-run without firing a shot, as Captain Fanell has pointed out. It's a very, very clever way of bringing about a political objective, a strategic objective, without necessarily major power conflict with the United States, which is what the Chinese want.

They have a longer objective of saying we need the United States' international system to continue our economic growth, but we can bring it about through these very discrete military actions which puts the United States in a difficult position, and ultimately may force the United States out of the area.

VICE CHAIRMAN SHEA: Okay. Thank you.

Senator Talent.

COMMISSIONER TALENT: Thank you, Mr. Chairman. Another great panel.

Dr. Yung, you said that what happened during the Cultural Revolution showed that regime instability not very likely to express itself in outward aggressiveness, but how would you respond to the fact that they were weak then in terms of their ability to project power and they're strong now? So that's the question for you.

Captain Fanell, do you agree that the recent Tomahawk strikes show the operational ineffectiveness of the S-400 system? That's number one.

And number two, I really very much appreciated your speech three years ago and your willingness to say that the "emperor has no clothes," and I think you're right.

What I would like you to address, though, is you think that this is going to manifest itself in an attack on or an attempt to take the Senkakus. Now, why that as opposed to Taiwan? Because if there is a place where they have to believe that aggressive action could generate escalating conflict with the United States, or short of that could awaken the United States and the world to the broader implications of what they're doing, it's a conflict with a Japan. Plus which, of course, the Japanese are themselves much more capable and much more capable should they choose to do so of responding in a way that imperils Chinese leadership.

It just seems to me that the risks of, say, a Taiwanese initiative first are much lower for them. So I'm interested in why you are focusing on the Senkakus as opposed to other areas.

DR. YUNG: Terrific question. I guess what I would answer is, yes, China was relatively weak post-liberation, yet some of the most violent times of China were not necessarily when they're on their backs, but, for example, let's talk about three conflicts that China was involved in: in Korea; Sino-Indian border clash; and the Russian clash in the late '60s or so.

So I mean those are examples where China's relative economy was not great compared to

the rest of the world, yet they were able to engage in military conflict when they saw their interests as necessary.

So I would argue even the border clash in 1969 is a reflection of the fact that the Russians and the Chinese were provoking one another. It's very difficult to sort of say, well, the result of economic problems the Chinese are having in the 1960s and the late '60s led to China provoking Russia. I think most of the scholarship suggests that the Russians were actually being quite provocative at the time.

1968, Czechoslovakia. The Chinese actually were reacting to a lot of things the Russians were doing in Europe. So, yes, during the Cold War when China was not a particularly strong economic country, they were willing to go to war or to have clashes with the great powers. So that's what I would say on that.

The Cultural Revolution had them on their backs right around that time frame. If Mao wanted to really use a diversion, he had a lot of different options that he had available to him. And so I guess that would be the best answer I could give you on that.

CAPT FANELL: Senator, thank you for follow-up on the S-400.

According to what I've seen in the press, I would say that the S-400 was not on in the sense that they were under rules of engagement that did not allow them to shoot. We provided them an hour's worth of warning. The warning didn't go from president to president. It went from operational military commander to operational military commander on the ground in the Syrian area at the airfield.

So they had an hour to prepare. They had an hour to get drones up to take footage and video of the strikes. So they were able and aware of what was happening, and unless there's other classified information, which I'm not privy to anymore, I would suggest that the S-400 was not on and therefore it's still I think very much in their calculus that everything that I've seen on it over the years suggests that it's a very capable platform to shoot down TLAM. So we need to think about other weapon systems on the U.S. side that can defeat an S-400.

COMMISSIONER TALENT: It would have been nice if we had developed some of our missiles in the last 30 years?

CAPT FANELL: Yes, sir.

COMMISSIONER TALENT: Could you answer the second question briefly for me about why--

CAPT FANELL: Yes, sir.

COMMISSIONER TALENT: --the focus on--

CAPT FANELL: I was asked to talk about the Senkakus first.

COMMISSIONER TALENT: Oh, that's right.

CAPT FANELL: So I agree with you in general. I think Taiwan is the main thing and that most likely they would go with Taiwan. When I gave my speech three years ago, I was criticized by some in the academic community because they said I conflated Mission Action 2013 as being equal to "short sharp war." You remember that. And those two gentlemen, I took out their references by name, but the point is that Mission Action 2013, 2014, 2015, all the different exercise series, those are not exclusively 100 percent just about Taiwan.

If you can execute a mission action, that training calculus and those training events are invaluable to being able to take the Senkakus or something in the South China Sea. So it's a

lesser included, but I do think it's most likely that they would try Taiwan first. But I think we have to realize they may do Taiwan and the Senkakus concurrently.

COMMISSIONER TALENT: Thank you.

VICE CHAIRMAN SHEA: Commissioner Slane.

COMMISSIONER SLANE: As you may know, there is a very robust debate going on in Australia about whether to cast their lot with China, and the Chinese are running around to our allies and telling our allies in Asia that we're not going to be there for them. And their objective, it appears to me, is to eventually push us out of the eastern Pacific and deny access.

Short of a confrontation, I think Duterte was positively reacting to the only thing that he could do to try to save as much as he can of his country by trying to be nice to the Chinese because he can't depend upon us.

Can you comment on that?

CAPT FANELL: I can very much can comment on that. Sir, I think what you said is exactly correct. In 2012, in April 10th and 11th of 2012, when Gregorio del Pilar of the Philippine Navy, a former U.S. Coast Guard cutter, a Hamilton class cutter, was sold to the Philippines, and its first deployment down to the South China Sea, on its return was coming back to Manila, and it got notification that there was illegal fishing going on in Scarborough, and it was redirected to go look at that shoal. And when it went over there, it launched off an aggressive reaction from China, and within days, there were 11 or 12 Chinese Maritime Law Enforcement vessels there with PLA Navy over the horizon.

And they intimidated and bullied our treaty ally, and we did nothing as a nation, and for five months, the United States government made no statement defending our ally--for five whole months. In between those five months, we had people who were working behind the scenes and they arranged to try to come up with a deal where both sides would leave at the same time, and that was in the middle of June.

And when the time came to leave, the Filipinos dutifully complied with the agreement, and the Chinese said not so fast, you didn't read the fine print. We didn't say these kind of ships would leave, and they left them in there, and since that day they've had control, and that event and the five months of not having a Secretary of Defense or a Secretary of State or a President come out and speak strongly for a treaty ally was to our discredit, and we are reaping what we sowed now five years later.

And you've heard President Duterte say several times in this last six months or eight months that, hey, the United States didn't do anything. If they thought this was important, if they thought this was an important part of the world, why didn't they send five aircraft carriers? Now that's over the top, but the point is we weakened our position in Asia because we did not follow through with the things that we said we were going to do, and it's hurting us today.

And so if we want to reverse that trend, then we have to stand up to our words, and I recall in 2012, there were people in this town, and I'm not of any party, but people of both sides saying, oh, this is some kind of ploy by the Philippines to draw us into an entanglement, and we need to be leery of this. When you talk to the country team, and people like me that were out there, they're like, no, this is not a ploy, this is happening in real time. This is not some grand strategy to draw us in, and we dropped the ball, and we did much better in September of 2012 after the Japanese nationalized the Senkaku Islands, and within two weeks we had our Secretary

of State and Secretary of Defense come out and say those islands are under Article V of our Mutual Defense Treaty. So that's where we failed, and that's hurting us today.

DR. YUNG: Can I?

COMMISSIONER SLANE: Please.

DR. YUNG: I disagree with the portrayal that the United States over the last five years or so has essentially been perceived by the Asia-Pacific as having sold them out.

I'll give you a couple data points which this is all debatable. I mean, amongst foreign policy analysts, you can debate this point. So Rebalance to Asia, 2009, which was essentially a reset. You can argue whether or not it was strong enough, whether or not it had enough of a military leg to it. That's all debatable.

But Rebalance to Asia, certainly an effort by the Obama administration to say we've not paid enough attention to this region enough. So 2009 to at least by 2012-13, there was at least a concerted effort or a stated effort to refocus or rebalance our efforts towards the region. That involved greater diplomatic effort, high-level visits to the region, TPP, a big element of it. We know what happened to TPP though. The military aspect of it.

Increasing number of the deal with Australia to put Marines in Australia. Put another LCS. Now we can again argue how much teeth does any of this have in, I'm willing to concede that it perhaps didn't have enough of a strong point.

Another data point. 2010, the Cheonan incident between Korea and North Korea. China essentially threw South Korea under the bus, and the reaction from the South Koreans was, okay, American response was very supportive of its ally. So I think that this is a debatable point: to what extent the countries in the region are convinced that the United States has left them?

I think many of the countries in the region are sitting on the fence waiting to see, and I think they're not entirely certain which way the wind is blowing because I've just cited a few bits of evidence of American support for the region, and I'm sure we can come up with plenty of examples, as Captain Fanell has brought up, where we didn't do as much as we should have, and the countries were convinced, heck, we don't know how much staying power the United States has.

I think the countries in the region haven't decided that we've left. I think they're sitting on the fence to see how much effort and how much staying power we actually have. I think they're waiting to see.

Other point I would make, I'm not entirely certain I would use Duterte as the weather vane as to how the Philippines national security establishment feels about this issue because most of the Philippine national security experts I've talked to have said he's sort of an island onto himself.

Most in the Philippine military and national security establishment feel that the strategy needs to be with the United States, and the fact that the president feels differently has put them into a real dilemma. So I'd be very cautious about using Duterte as the weather vane as to how the entire Philippines national security establishment feels.

But I'm willing to concede that the rebalance probably needed a stronger military leg to it. Probably we needed to draw stronger lines to have the Chinese realize, okay, these are lines that you cannot cross. I'm willing to concede that, but I think that it's a debatable point whether or not the countries of the region are convinced that we're not going to be around. I think they're

waiting to see the direction the U.S. takes.

VICE CHAIRMAN SHEA: Thank you.

Commissioner Stivers.

COMMISSIONER STIVERS: We could talk about that issue all day, and I think we'll talk about that at the next panel on regional perspectives.

Going back to Taiwan, Dr. Yung, your testimony on the aftermath of what an invasion would look like, I found that fascinating. I think you were only able to get a couple paragraphs in your written testimony, but I'd love to have you expand a little bit about that, about what the challenges would be after an invasion for taking over and occupying the island. So that would be first, to expand a bit on those challenges.

But second, an observation, is that after reading your testimony and the other testimonies, my observation is that even with the increased military capability that China has, any kind of action towards Taiwan would be so difficult and so challenging that there is no incentive for China to disrupt the status quo.

And so my question, if you agree with that observation, is U.S. policy towards Taiwan on the last administration, are we on the right track or should the new administration be taking new policies regarding arms sales or whatever else? Should we be changing our tack on Taiwan with that reality that the status quo is stable? So maybe starting with Dr. Yung and others could chime in.

DR. YUNG: Okay. So I think that that, as I mentioned before, it is definitely the most understudied question, what Taiwan the day after would look like? I think a strong case can be made that China, that assuming--now again this all comes down to Taiwan citizen resiliency and whether or not the Taiwan armed forces recognize this as a potential deterrent or a potential course of action that they need to take, and I'm pretty certain they are willing to look into this issue.

Their special forces can be trained and directed to lead some sort of insurgency against China if the PLA lands on Taiwan, and so a strong case can be made that tens of thousands of PLA soldiers could be tied down in a large-scale contingency. They may have Taipei; they may have some of the larger cities. But the mountainous regions of Taiwan can tie up PLA troops for months on end if not years.

And so if the Taiwan Special Forces want to focus on that and, as I mentioned before, I was on Taiwan about a month ago, and we brought up that issue. Now they have to be very careful how they--they had these discussions with a bunch of American scholars talking about this—but certainly the idea is bandied around. And so I would say that that is definitely something that needs to be looked into.

In fact, already American defense analysts have addressed some of these issues. There's a great report by the Center for Strategic and Budget Assessment called Hard ROC--R-O-C--2.0, which talks about some of these protracted strategies which could tie down the Chinese military, which would enhance a deterrent part of their calculus.

So, yes, I think this needs to be examined more closely in addition to a whole range of other asymmetric strategies that the Taiwanese need to think about. That's just one of them. There are a bunch of others that could also be thought through.

With regard to your question about policy, are we on the right track? I guess I need to get

to which policy are we talking about? Are we talking about the one China policy? Are we talking about increasing arms sales? I would say that, that the one China policy is largely correct from my perspective. That is it's a policy in which we recognize China, we recognize its economic growth, and its status.

In addition, several, we've got several decades of precedents with regard to that, and I would argue that it also represents stability between the relationship.

Now what does that also mean? One China policy also means that United States in cooperation with Taiwan, even though we formally recognize Beijing, we're still on the hook to make arms sales and provide defense advisors and interactions with Taiwan. I would argue that if I asked this question to one of my Taiwan counterparts, he would say probably the best strategy is for you guys to increase your arms sales to us, give us what we want, but we essentially have accepted the one China policy as a given. We think that going against the one China policy might disrupt things way too much.

Now I know that there are going to be others who would disagree with that. There would be folks on Taiwan who would say no, the one China policy is much more problematic, but there's certainly a debate within Taiwan as to whether or not--especially given the status of the one China policy with the Trump administration from the very beginning.

But I would argue that probably the best strategy is accept the one China policy and then perhaps be more willing to make sales of more sensitive weapon systems and platforms and be less skittish about willingness to do that. F-16C/Ds, for example, the Taiwanese have been clamoring for that for years. We, I know that it's politically sensitive to make such a very overt and politically sensitive sale to Taiwan. Maybe we shouldn't worry so much about that. Maybe we'd be willing to make those kind of arms sales. But, of course, underneath the umbrella of a one China policy.

COMMISSIONER STIVERS: Thank you.

Any other comments?

MR. EASTON: Sure. Commissioner, my view is that our policies are failing us. We have set the bar increasingly low over time in order to accommodate ourselves to the reality of China's military modernization and their expansionism and their behavior in the region.

If you would have told anybody in Washington, D.C. in the early 1990s after the fall of the Soviet Union that China in the year 2017 would still have a Communist government and that that government would now be the second-largest economy in the world, and then if you were to describe China's current order of battle to them, they would have probably laughed you out of the room.

It would have been unthinkable to them. The same story would have played out in the year 2000 or even more recently, but what has happened is over time, we have gradually started to take this new reality that we now live in for granted. China's behavior is destabilizing. It's destabilizing across from Taiwan. It's destabilizing on the Korean peninsula, with Japan, the India border, and the South China Sea, across the board, space and cyber space, international norms.

The American-led world order, and especially the regional order in the Asia-Pacific region is now being undermined actively by China, and we have not reacted to that in a fashion that could somehow offset this reality. This is what's going on. This is the road that China has

put us on.

If you look at the size of the Seventh Fleet, for example, it is roughly the same size that it was 20 years ago. If you look at the number of Marines we have forward deployed or the number of troops we have forward deployed in Asia, they're actually going down.

So what signal does it send to our allies that we're actually taking Marines out of Okinawa and putting them much farther away from the fight, which means more time to get there, which means more lives lost in the interim, putting them in Australia or Guam or back in Hawaii or in San Diego? I think that sends the wrong message.

But to truly know whether our policies are working for us or not, we have to understand what our interests are and what our values are, and I don't think that conversation as it pertains to the Asia-Pacific region has taken place in the way it ought to have over the past ten or 12 years, and the way that it needs to in the coming years.

We need to have a strategy. We need to know what matters most to us and what we're willing to do to secure that. And we need to have these conversations with our allies and with our partners in the region. As it pertains to Taiwan, clearly our policy is failing us if now China is more capable than ever before of actually seriously considering a credible attack on Taiwan.

If the confidence of officials at the Pentagon, experts such as Dr. Yung, is such that now we're telling the Taiwanese, okay, forget about holding the offshore islands, forget about holding the Penghus, forget even about your coastal defense or the defense of your capital, you need to start thinking about guerilla tactics for the day after when you're fighting in the mountain, the central mountain region, that, to me, is defeatism.

We need to be training, equipping, and preparing the Taiwanese to keep the fight on the outer islands, and if that fails, the Penghus, and if that fails, the anchorage sites, and to make sure that China can never convince itself that it could ever secure a beachhead, a toehold, or a bridgehead on Taiwan, to say nothing of any calculations they may have of whether or not they could secure Taipei.

In my mind, there is so much more that we need to do, and we need to be thinking critically about where we are, how we got here, and where we need to go next.

COMMISSIONER STIVERS: Thank you.

VICE CHAIRMAN SHEA: Well, thank you, gentlemen. This was very helpful and powerful, at times, powerful testimony. So we very much appreciate your contributions today.

We will recess until 1:45 when we'll have a third and final panel.

[Whereupon, at 12:45 p.m., the hearing recessed, to reconvene at 1:46 p.m., this same day.]

Panel III : INTRODUCTION BY COMMISSIONER SENATOR CARTE P. GOODWIN

HEARING CO-CHAIR GOODWIN: All right. Welcome. Our final panel this afternoon will explore the implications of Chinese-initiated conflict for the United States, regional partners, and U.S. allies in the Asia-Pacific region.

For our first panelist, we're happy to welcome Dr. Michael Green, a Senior Vice President for the Asia and Japan Chair at the Center for Strategic and International Studies, and chair in modern and contemporary Japanese politics and foreign policy at the Edmund Walsh School of Foreign Service at Georgetown University.

Dr. Green previously served on the staff of the National Security Council from 2001 through 2005, first as director for Asian affairs, and then as special assistant to the President for national security affairs, and senior director for Asia with responsibility for East Asia and South Asia.

Dr. Green will cover the likely Northeast Asian response to Chinese aggression in the East China Sea and discuss the likely Japanese political, economic and military responses should aggression escalate into a Chinese-initiated conflict.

Welcome, Dr. Green.

DR. GREEN: Thank you all for--

HEARING CO-CHAIR GOODWIN: Next. I'm sorry. Let me finish the introductions, and then we'll get to you. Okay.

DR. GREEN: Okay.

HEARING CO-CHAIR GOODWIN: Following Dr. Green will be Dr. Mira Rapp-Hooper, who we're happy to welcome back. Dr. Rapp-Hooper is a Senior Fellow with the Center for New American Security. She is formerly a fellow with the Center for Strategic and International Studies Asia Program and a Director of the CSIS Asia Maritime Transparency Initiative.

Her expertise includes Asia security issues, deterrence, nuclear strategy and policy, and alliance politics.

Dr. Rapp-Hooper will discuss the likely response by Vietnam and the Philippines to Chinese aggression and the potential escalation of a conflict in the South China Sea.

Our final panelist of the day will be Dr. Jacqueline Deal, President of Long Term Strategy Group, a Washington, D.C. defense firm that provides research and analysis on future trends and the emerging security environment. Her work is focused on developments in East Asia and the Indo-Pacific region.

Dr. Deal will discuss the implications of a hotspot conflict in the East and South China seas or with Taiwan for the United States.

Again, I remind the witnesses to try to keep your opening remarks to seven minutes, and Dr. Green, we'll start with you.

**OPENING STATEMENT OF MICHAEL J. GREEN PH.D.
SENIOR VICE PRESIDENT FOR ASIA AND JAPAN CHAIR, CENTER FOR
STRATEGIC STUDIES**

DR. GREEN: Okay. Thank you. And it's a pleasure to be here, especially with my distinguished fellow panelists.

I'm going to focus on, at the suggestion of the Commission, on the Northeast Asia piece of this, the East China Sea, the Taiwan Strait, and in particular on Japan's likely reaction to a crisis in this region.

I think it's very important for a Commission like this concerned about China's future role in Asia and the world in relationship with the U.S. to focus very closely on Asia as a whole and especially our allies and partners because we're not going to get China right if we don't get Asia right beginning with our most consequential ally out there, Japan.

I'm going to speculate a little bit here. It's informed speculation. In the paper I've cited Japanese policies, but I hope it's also clear where I'm speculating based on a long time doing this stuff where I think Japan would come out.

But I want to make it clear I'm not necessarily telling you what Japan's official response would be to these crises.

I open the written testimony by touching briefly on the geopolitical context, and in particular the strategic culture in China and Japan that I think would come into play in any crisis in the East China Sea. I think many China experts over the years have focused on the domestic drivers for what we're seeing in maritime Asia-- bureaucratic infighting, nationalism. I would argue that history, geopolitics, geography are much more determinative and frankly easier to understand in historical perspective.

I mention three things on China. First, rising powers. We did this; the Germans did this under Bismarck; Japan did it in the early 20th century. Rising powers tend to free-ride globally on the prevailing power, but they begin revisionist behavior. They begin reshaping their own immediate neighborhood. It's not unique to China, and so it's not surprising that China would seek to avoid open confrontation with the U.S. globally but within Asia start to reconfigure things to its advantage, which is one clear factor in the maritime tensions.

The second is that historically China's threat has always been for millennia from inner Asia until the arrival of the Europeans and defeat in the open wars at the hands of the British and the French, and with the very brief exception of the Soviet challenge to China in the late Cold War, the past 150 years, it's been the sea that has been the vulnerable flank for China.

So in a way it's understandable that China would want to shore up its buffer on the maritime flank.

And finally, this is about power, legitimacy, and hierarchy in Asia--factors that have never changed. And China is moving towards a return of a Sino-centric system, incrementally, bit by bit. Asserting its control over the east South China Sea is a central part of that. Japan comes at it from the mirror image. The ocean has been their buffer. Japan relies on sea lanes and Japan relies on U.S. and its own status.

Japan is the only civilization in Asia, other than China, that has an emperor. And so ceding that top slot is not something that's in the Japanese DNA, in my view.

In the East China Sea, in a contingency, as I mentioned in the testimony, if we're talking about the Senkaku, or Diaoyu, or Diaoyutai Islands, the Japanese view in a crisis, and I'm assuming here it's provoked or started by Chinese escalation, the Japanese view will be that these Japanese sovereign islands and territory, and, therefore, Japan would take the lead, would not want the U.S. in the lead, would resort first to internal law enforcement, the coast guard, and would only very reluctantly see this escalate, either to the point where Japan's Self Defense Forces are directly involved or Japan needed the U.S.

That said, it is sine qua non for Japan in dealing with the Chinese coercive threat to the East China Sea that the United States is there and, in particular, that the U.S. stands by its commitment under Article V of our 1960 Security Treaty, that if Japan is attacked, including areas administered by Japan, then our treaty applies, that the U.S.-Japan alliance would apply.

So in broad and clear and unmistakable terms, Japan needs China to see and its own public to see the U.S. is committed to the security of the Senkakus, but in a crisis, Japan will try very hard to make this a domestic law enforcement, coast guard, sovereignty issue, and the U.S. coming in would complicate that in some ways. So that's a delicate balancing act for us.

We have now, thanks to Prime Minister Abe's reforms, an alliance coordination mechanism that allows us to coordinate crises much better than we had. The changes Abe-san has brought in allow Japan to plan for the first time really about these kind of contingencies with us, creates more opportunities for jointness and interoperability.

The one thing we lack is a command and control system between the U.S. and Japan that aligns well. We have it in NATO where we have a joint and combined command. We have it in Korea where we have a joint and combined command. I'm telling you we do not have it with Japan. Our command structure does not align well for a crisis, and we can talk about that more in the Q&A. And that will be an important agenda item for us as we go forward.

On Taiwan Straits, historically Taiwan was Japan's first colony. The maritime island chain of which Taiwan is a centerpiece is critical for Japan. But in the post-war period, the Japanese government did everything it could to avoid being somehow implicated in a confrontation with China, particularly over Taiwan.

That has changed. It changed first in the mid-'90s with the first Taiwan Straits crisis. I was in the Pentagon after that. We agreed on new defense guidelines under which Japan would cooperate with the U.S. in areas around Japan. The first time they said that affect Japan. But we couldn't do any planning because of the constitutional ban.

Abe-san opened that enough. We can now plan. What would Japan do in a Taiwan Straits crisis? Their role would be indispensable-- logistics throughput, missile defense, sanitizing sea lanes--indispensable.

What is Japan's commitment to Taiwan security? Zero. Nothing. But the Chinese I think now know that we have the ability to work together with Japan either in a Taiwan Straits crisis or in East China Sea crisis. And by the way, the First Island Chain is now the entire front. For decades when Larry was in this business, in government, when I was in the Pentagon, there were discrete Taiwan or pieces of the First Island Chain.

It's one front. And the Japanese are poised to really be interoperable with us along a big part of that front. The Chinese made this so by pushing on all sides at once. So Japan has no obligation to the defense of Taiwan, but it is a good thing that China's planning on Taiwan is

now significantly complicated by the fact that they have to assume that Japan will be operating with us.

And I'll end there and look forward to the other panelists and to your questions. Thank you.

HEARING CO-CHAIR GOODWIN: Thank you, Dr. Green.

**PREPARED STATEMENT OF MICHAEL J. GREEN
SENIOR VICE PRESIDENT FOR ASIA AND JAPAN CHAIR, CENTER FOR
STRATEGIC STUDIES**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

Introduction

I appreciate the opportunity to testify before the U.S.-China Economic and Security Review Commission on the hotspots along China's maritime periphery.¹ I am prepared to discuss the strategic situation along the entire First Island Chain, but the Commission has asked me to focus in my prepared remarks on how Japan might respond to crises in the East China Sea or the Taiwan Strait. I will address four key questions in this regard:

- What is the geopolitical context for any Sino-Japanese confrontation?
- How is Japan likely to respond to a crisis over the Senkaku Islands?
- How is Japan likely to respond to a crisis in the Taiwan Strait?
- What domestic, economic, political, and security factors are likely to shape behavior in both scenarios?

Geopolitics and Strategic Culture as Context

It is important to situate any scenario-based discussion of potential crises in the East China Sea in the historical context of Chinese and Japanese strategic culture and the geopolitics of East Asia. Let us begin with China. As Alistair Iain Johnston has demonstrated in *Cultural Realism*², the roots of Chinese grand strategy towards the rest of Asia can be traced back at least to the Ming Dynasty. For millennia, the major external threats to the stability and centrality of Chinese dynasties emerged from the steppes of Central Asia. That changed in 1842 when China was defeated from the sea by Britain and France in the First Opium War. Since then, (with the four-decade exception of the Sino-Soviet confrontation at the end of the Cold War) China's major external threats emanated from the maritime flank: first from the Imperial Powers, then Japan, and then the United States. It is therefore understandable, if problematic, that China would seek to

¹ I wish to thank Erik Jacobs, Yuka Koshino and Lily McFeeters, CSIS Japan Chair interns, and Jingyu Gao, CSIS China Power Project intern, for their research on the data for this testimony.

² Alistair Iain Johnston, *Cultural realism: Strategic culture and grand strategy in Chinese history* (Princeton: Princeton University Press, 1998).

establish denial and control over what Chinese strategists call the Near Sea, or the waters between the First Island Chain³ and the Chinese mainland.

A second historical pattern that resonates is the predilection for rising powers to free ride globally while seeking denial and then hegemony over their own immediate region. This is what Bismarck's Germany did in the 19th Century, reordering Central Europe while avoiding direct confrontation with Britain. It is also what the United States did in the Western Hemisphere, until Britain ceded complete leadership south of Canada to the United States at the end of the 19th Century. It is what Japan did in the first part of the 20th Century, allying with Britain to expand its influence in the region, decades before declaring hegemony of East Asia in the "Amau Doctrine" of 1934 and going to war against Britain and the United States in 1941. Beijing's current articulation of a multipolar world in which China stands for Asia –or a "New Model of Great Power Relations," under which the United States refrains from interfering in regional powers' disputes with Beijing –all flow from this same incremental revisionism in the Far East. To be clear, China's strategy like previous rising powers, is to compel, coerce and coax regional states to follow this revisionism while avoiding direct conflict with the *status quo* hegemonic power.

The third historical dimension of China's coercive approach to the maritime powers is the hierarchical structure of power and legitimacy in East Asia. For millennia China sat at the top of that hierarchy until Japan took the lead by defeating the Qing in the Sino-Japanese War in 1895. Japan dominated after that. Even during the Cold War, Sino-Japanese rapprochement was based on the two nations lying in the same bed and dreaming different dreams: Japan of tutoring China from its position as leading economic power, and China using Japan's economic assistance to eventually reassert its own leadership in the region based on the full spectrum of military and economic power. In the mid-1990s both powers had a rude awakening when China's missile tests around Taiwan demonstrated that economic power gave Japan little leverage over Chinese use of military force, and China's ability to cast Japan as an illegitimate power gave Beijing little leverage over Japanese security policy. Japan-China relations have deteriorated since, despite high levels of economic interdependence. Today over 80% of Japanese consistently say in polls that they do not trust China.⁴

These geopolitical and strategic cultural explanations do as much to explain Chinese behavior today as do competing (though not incompatible) explanations based on domestic nationalism or bureaucratic politics. Though it would be difficult to prove empirically, I believe that we would see essentially the same Chinese strategy towards the East and South China Seas even if domestic nationalism or bureaucratic politics were not a major factor.

This same frame of reference applies to Japan. Japan's firm stance on the East China Sea

³ The islands stretching from Japan to Taiwan and then the Philippines. The Second Island Chain stretches from Japan to Guam to the South Pacific.

⁴ Bruce Stokes, "Hostile Neighbors: China vs. Japan," *Pew Research Center*, September 13, 2016, <http://www.pewglobal.org/2016/09/13/hostile-neighbors-china-vs-japan/>.

cannot simply be explained by domestic nationalism. Japan's own strategic culture was formed by the Sino-centric world that lay beyond the Sea of Japan. While records demonstrate that as early as the Yayoi period (around the time of Christ) the Japanese accepted the cultural and technical superiority of China and the early Korean kingdoms –and later Japanese governments traded at the periphery of China's tributary state system –Japan never accepted the political dominance of China in Asia. Only one state on China's periphery has asserted since ancient times that it too has an “emperor” (as opposed to a king), and that state is Japan. American scholars who predicted Japan would eventually align or bandwagon with China after the Cold War because of growing economic interdependence never understood this enduring foundation of Japan's national identity.

For Japan, the maritime approaches have always presented the greatest source of external danger. Before the arrival of the West, the focus was on the Sea of Japan and the Korean Peninsula, from whence Mongol invaders attacked in 1274 and 1281, until being destroyed by the *kamikaze*, or divine wind. Japan was eventually forced out of its self-imposed isolation in the mid-19th Century by Commodore Perry's black ships arriving from the Pacific approaches, which prompted a new spirit of naval modernization and maritime strategy in Japan known as *Kaiboron* (maritime defense theory). Modern Japan has sought defense-in-depth by securing the Korean peninsula, first unilaterally and then through the U.S.-Korea alliance, and ensuring that the Japan Sea and the East and South China Seas remained a buffer and a secure route for maritime commerce. China's strategy of reasserting denial and control over these exact same waters therefore threatens Japan's own definition of its historic vital interests. Just as important, a successful Chinese strategy of coercion in maritime Asia would undermine the credibility of American commitments under the 1960 U.S.-Japan Security Treaty and reopen politically destabilizing questions about whether Japan should take a more Gaullist approach to self-defense.

After the Second World War, Japan's strategic culture and memory of geopolitics were dulled by a new culture of pacifism and anti-militarism. Prime Minister Shigeru Yoshida organized Japan's recovery after the war around a doctrine of protection from the United States, minimal rearmament or risk by Japan, and all out economic growth strategies. An important dimension of Yoshida's approach was to ensure that Japan always had better relations with China than the United States did, preserving Japan's role as the top power in Asia and a bridge between East and West. A small group of Japanese intellectuals, politicians and officials maintained a focus on geopolitics, but the public abhorred war and was generally content to restore their nation's prestige through economic performance. However, with the collapse of Japan's economic model in the 1990s and the concomitant growth in Chinese assertiveness, as well as the threat of North Korea missiles and nuclear weapons, the Japanese public was shaken out of its complacency. From 1955 to 2001 the “mainstream” factions of the ruling Liberal Democratic Party (LDP) followed Yoshida's basic line. Since then “non-mainstream factions” have dominated the LDP and pushed for more assertive foreign and security policies to counter China. The public has broadly, if sometimes cautiously, supported this new trajectory.

Prime Minister Shinzo Abe was elected President of the LDP and Prime Minister of Japan in 2012 largely because of frustration with the Democratic Party of Japan's weak response to China

(though, in fact, the DPJ made several provocative moves to assert Japan's sovereign control of the Senkaku Islands, including purchasing three of the islands from a private Japanese citizen in 2012). Speaking at CSIS in February 2013, Abe declared that "Japan is not and will never be a tier-two country" –an indirect but unmistakable reference to China.⁵ Abe's grand strategy was clearly articulated in Japan's first official National Security Strategy in 2013.⁶ He is focused first on strengthening Japan's economy, though he has had limited success because of the slow pace of restructuring and the American decision to withdraw from the Trans Pacific Partnership (TPP). His second focus is strengthening the U.S.-Japan alliance, where he has reversed decades of hedging against entrapment in American wars in the Far East and has instead revised the interpretation of Japan's Constitution to permit more joint operations with U.S. forces and potentially other allies through the exercise of Japan's right to collective self-defense. And third, Abe has focused on Japan's ties with all of China's neighbors, where he has had significant success (with the exception of Korea because of historical issues and complex domestic politics in both countries). Strategically and politically, Japan is better positioned to defend its interests in the East China Sea, but over the same period China has also strengthened its military and paramilitary forces. If China used force to take the Senkaku Islands, would Japan fight? Could Japan fight?

How Would Japan Respond to a Senkaku Crisis?

Japan's response to a crisis in the East China Sea would vary depending on the nature of Chinese aggression. Accidental collisions, blockade, or deliberate amphibious seizure of the Senkaku Islands would all pose different operational and strategic challenges. Nevertheless, there are several moves one should anticipate from Japan in any crisis.

First, Japan considers the Senkaku Islands to be sovereign Japanese territory, and while the United States does not take a position with respect to sovereignty, the Clinton, Bush, Obama and Trump administrations have been clear that the islands are under Japanese administrative control and therefore an attack by China would trigger Article V of the 1960 U.S.-Japan Security Treaty, which states that:

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes. Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.⁷

However, because the Japanese government considers the Senkaku Islands as sovereign

⁵ "Statesmen's Forum: HE Shinzo Abe, Prime Minister of Japan," *Center for Strategic and International Studies*, February 22, 2013, <https://www.csis.org/events/statesmen%E2%80%99s-forum-he-shinzo-abe-prime-minister-japan>.

⁶ Prime Minister of Japan and His Cabinet, "National Security Strategy," December 17, 2013 http://japan.kantei.go.jp/96_abe/documents/2013/_icsFiles/afidfile/2013/12/17/NSS.pdf.

⁷ Ministry of Foreign Affairs of Japan, "Japan-U.S. Security Treaty," <http://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html>.

territory, primary responsibility for patrolling and safeguarding the islands falls to the Japan Coast Guard (JCG) and not the Japan Maritime Self Defense Force (JMSDF). In fact, short of an order to deploy the JMSDF, Japan would consider any contingency around the Senkaku Islands to be a police action not necessarily covered under Article V of the 1960 U.S.-Japan Security Treaty. The JCG is an extremely capable force, but one at risk of being outgunned as China's Coast Guard converts PLA Navy frigates to coast guard cutters and prepares to deploy a new series of 10,000 ton super cutters.⁸ Accordingly, the Japanese government determined in 2014 that in the event that China's use of military force is deemed "extremely difficult or impossible for the JCG to respond" then an "order for maritime security operations would be issued promptly and the Japan Self Defense Forces would be deployed in cooperation with the Coast Guard."⁹ In April 2016 Japan's Chief Cabinet Secretary further lowered the threshold for JMSDF operations in an East China Sea crisis when he announced that JMSDF assets could engage in "maritime policing operation[s]" if foreign warships enter Japanese territorial waters under a pretense other than "innocent passage."¹⁰

Japan has previous experience using its archipelagic geography to contain expanding continental powers. In the 1980s under the U.S.-Japan "Roles and Missions" approach and the Reagan administration's Maritime Strategy, the government of Yasuhiro Nakasone took responsibility for building up its military capabilities to defend straits north of Hokkaido and bottle-up the Soviet Fleet in the Sea of Okhotsk so that U.S. Air and Naval forces could destroy them.¹¹ Current JMSDF force posture and capabilities reflect this experience with protecting sea lanes, closing straits and complicating enemy planning from an archipelagic position. For the past decade, Japan has been shifting its Northern-focused Cold War posture towards the South to use its archipelagic advantage to respond to China's expansion. These deployments include:

- Permanent deployment of 500 JGSDF troops on Ishigaki;
- Construction of a radar station on Yonaguni with 150 JDSDF troops in March 2016;
- Deployment of missiles and 800 troops on Miyako and 600 troops on Amami Islands by the end of FY2018;
- 2014 establishment of a new permanent squadron of E-2C Hawkeye AEW aircraft on the Naha Base off Okinawa;
- Increases in early warning detection of foreign aircraft and vessels;
- Deployment of two amphibious regiments to Okinawa by 2018.
- An increase in the deployment of JASDF F-15s to Naha.¹²

Under Japan's Medium Term Defense Program (2014-FY2018), the Ministry of Defense proposes further to:

⁸ Franz-Stefan Gady, "Beijing Builds 'Monster' Ship for Patrolling the South China Sea," *The Diplomat*, January 13, 2016 <http://thediplomat.com/2016/01/beijing-builds-monster-ship-for-patrolling-the-south-china-sea/>.

⁹ Japan Ministry of Defense, *Defense of Japan 2014*: 225, http://www.mod.go.jp/e/publ/w_paper/2014.html.

¹⁰ "East China Sea Tensions: Approaching A Slow Boil," *Asia Maritime Transparency Initiative*, April 14, 2016, <https://amti.csis.org/east-china-sea-tensions/>.

¹¹ Michael J. Green, *By More Than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783*. (New York: Columbia University Press, 2017), 404.

¹² "East China Sea Tensions: Approaching A Slow Boil," *Asia Maritime Transparency Initiative*, April 14, 2016, <https://amti.csis.org/east-china-sea-tensions/>.

- Prepare for contingencies in the East China Sea with increased capabilities for “deployment of units”; “rapid deployment” of units necessary to interdict any invasion; and “recapturing” in case any remote islands are invaded.
- Enhance the JMSDF’s four escort flotillas mainly consisting of one helicopter destroyer (DDH) and two Aegis-equipped destroyers (DDG), and five escort divisions consisting of other destroyers.
- Increase the number of attack submarines;
- Deployment of tilt-rotor aircraft (V-22 Osprey) and Amphibious Assault Vehicles (AAV7);
- Transform two GSDF divisions and two brigades into two rapid deployment divisions and two rapid deployment brigades, including an amphibious rapid deployment brigade.

As noted above, Japan’s operational response would depend on the nature of Chinese actions. In the event of Chinese attempts to change Japan’s *de facto* administrative control of the islands by swarming the area with fishing boats and Chinese coast guard vessels, Japan would likely engage in police actions with the JCG in the lead, though the JSDF supporting role could become more visible depending on PLAN/PLAAF operations. In the event of Chinese blockade of the islands, Japan would likely attempt to remain within the parameters of police actions under the JCG, but depending on the nature of the blockade and role of the PLAN/PLAAF, might move closer to a defensive order for deployment of the JSDF. In the event China attempted to seize the islands, Japan would come under great pressure to issue deployment orders to the JSDF, but this could also depend on whether the Chinese forces were regular PLA units, paramilitary militia units, or unidentified activists. In multiple discussions and unofficial scenario games with well-informed Japanese counterparts, it has been evident that the Japanese government would go to great lengths to avoid escalation from police action to self-defense, or to official invocation of Article V of the 1960 U.S.-Japan Security Treaty.

A recent RAND commentary was probably right in suggesting that Japan would respond to Chinese escalation in the East China Sea using the three phases of operations:

1. “Phase Zero” (under peacetime tensions) would entail the deployment of intelligence, surveillance, and reconnaissance assets near the Senkaku Islands, all of which are currently deployed or planned.
2. “Phase One” (as Chinese forces act) would involve the deployment of a JGSDF “rapid-deployment” regiment consisting of infantry, mortar, and mechanized companies equipped with amphibious vehicles, to buttress the existing JGSDF assets and personnel stationed there.
3. “Phase Two” would see the activation of such units in the event that the islands were seized by an enemy.¹³

¹³ Lyle J. Morris, “The New ‘Normal’ in the East China Sea,” *RAND Corporation*, February 27, 2017, <http://www.rand.org/blog/2017/02/the-new-normal-in-the-east-china-sea.html>.

For Phase One deterrence and Phase Two response, Japan could have several tactical options to deter or repel Chinese attempts to seize the Senkaku Islands. Each carries the risk of counter-escalation by China and would have to be considered within the current Japanese policy of applying “minimal force necessary.” The first option would be amphibious assault. The Ground Self Defense Force’s (GSDF) deployment of amphibious units and Osprey (with the range for vertical assault operations) to Okinawa would significantly shorten reaction time. However, amphibious assaults against defended positions would be high-risk operationally and politically. The temptation could therefore be to use JSDF amphibious operations to pre-empt escalation by China in Phase One should it appear that Chinese forces are preparing to seize the islands. The second option would be to defeat Chinese amphibious operations with submarines and tactical air. Japan has world-class diesel powered submarines, but to be effective in Phase Two, the “silent service” could not signal its presence as a deterrent in Phase One. Use of kinetic force against Chinese landing forces would also significantly increase the risk of escalation and might not be viewed as “minimal necessary force” by the government. The third option—which was recently recommended for discussion by the ruling LDP’s Security Committee in response to North Korean threats but goes back decades as a topic of debate with an implicit application to China -- would be the deployment of surface-to-surface missiles (SSM). At the tactical level, there would be merit in an SSM capability to deter PLA assault on the Senkaku Islands, particularly when compared with the complexity of amphibious operations or undersea warfare (Japan currently has anti-ship missiles, but this new capability would be somewhat longer-ranged SSMs for stationary targets). The LDP Security Committee did not specify what kind of counterstrike capabilities should be considered, but some members have called for longer-range missiles capable of striking North Korea or the Chinese mainland. They point out in discussions that this is necessary because the PLA would likely target Japanese bases and forces capable of undertaking amphibious, undersea, tactical air or missile operations to stop PLA forces operating against the Senkaku Islands.¹⁴ Counterstrike against the Chinese mainland would pose even greater risk of escalation, of course.

If China escalated and forced these decisions on Japan, the Japanese government would increasingly look to the United States for support. As was noted, the Japanese government would initially insist on taking the lead to demonstrate that the Senkaku Islands are unequivocally part of Japan’s sovereign territory. Early invocation of Article V seems unlikely, though there would clearly be expectations of a robust U.S. military posture in the region and supporting declaratory policy from Washington. At the same time, Japanese officials would be acutely aware that unilateral escalation by Japan would put at risk American support and potentially allow China to force an unfavorable outcome through U.S. pressure on Japan. An internationalization of the dispute in which Japan were forced by its closest ally to de-escalate and relinquish *de facto* control of the Senkaku Islands would be devastating for the Japanese government and the longer-term credibility of the U.S.-Japan alliance –not to mention other U.S. security commitments in the region. The JSDF would also be well-aware that escalation beyond the tactical level around the Senkaku Islands would require capabilities only the U.S. military has.

¹⁴ Toshi Yoshihara, “Chinese Missile Strategy and the U.S. Naval Presence in Japan.” *Naval War College Review*, Vol. 63 (Summer 2010), No. 3: 47.

The U.S.-Japan alliance enjoys strong support among the Japanese public, and Prime Minister Abe has made strengthening the alliance a hallmark of his administration (demonstrated most recently in his summit with President Trump at Mar-a-Lago). The Abe cabinet's July 2015 reassertion of Japan's right of collective self-defense pertains largely to Article VI of the 1960 U.S.-Japan Security Treaty, namely the right of Japan's forces to operate with U.S. forces (or Australian forces possibly) in cases where Japan itself is not directly under attack. Since the Senkaku Islands are covered under Article V (defense of Japan), this right of collective self-defense would not necessarily directly apply. However, Abe's commitment to help defend U.S. forces under the collective self-defense right, might be considered the *quid* offered in exchange for the *quo* of a stronger U.S. commitment to defend Japan against an expanding China and more dangerous North Korea. In addition, the new U.S.-Japan bilateral Defense Guidelines that were completed April 2015 in anticipation of the Japanese Cabinet decision on collective self-defense would be highly relevant. Specifically, the new Guidelines establish an "Alliance Coordination Mechanism" (ACM) to coordinate policy and operational responses in case of "an armed attack against Japan and in situations in areas surrounding Japan" (i.e. covering both Article V and Article VI scenarios).¹⁵

Amazingly, no such bilateral coordination mechanism existed prior to 2015, in large part because of Japanese political resistance to being entrapped in Article VI contingencies elsewhere in Asia. In Phase Zero situations, the ACM appears to be functioning well. Since its establishment, the new ACM has been used effectively to share information and coordinate responses in three situations (North Korea's missile tests; the Kumamoto earthquake; and the August 2016 swarming of Chinese vessels around Senkaku Islands).

Whether the mechanism is adequate for a full-blown military crisis is another question. The United States and Japan do not currently have a joint and combined command structure like NATO or the Combined Forces Command (CFC) in Korea. At various points the U.S. side considered relying on Task Force 519, which responded to the March 2011 tsunami disaster in Japan under the Commander of the Pacific Fleet. However, that Task Force has since been disbanded. In an extensive review of the Department of Defense Rebalance Strategy to the Asia Pacific released in January 2016, CSIS warned that the United States and Japan would not be fully prepared to respond to a military crisis in the Western Pacific without some form of well-established bilateral command and control relationships. In any joint or virtually joint set-up, the U.S. Command would have to be designated as "joint task force capable" –which limits options to the III Marine Expeditionary Force in Okinawa, the Pacific Fleet in Hawaii, the Seventh Fleet in Yokosuka or the Pacific Command itself. U.S. Forces Japan (USFJ) are not currently joint task force capable. The Japanese government has also begun considering whether the JSDF needs a Joint Operational Command (JOC) for crisis operations comparable to the command set up by Australia. Currently, the Chief of Staff of the Joint Staff Office would be the senior military commander in Japan in a crisis, but the Australians and others have found that the chief-of-defense is rarely able to manage the policy/political requirements of the job and simultaneously lead

¹⁵ Ministry of Defense, "A Stronger Alliance for a Dynamic Security Environment: The New Guidelines for Japan-U.S. Defense Cooperation," April 27, 2015, http://www.mod.go.jp/e/d_act/anpo/js20150427e.html.

complex military operations in a crisis.

Visible and robust *joint* U.S.-Japan military operations could also be a key part of Japan's response to a crisis, though not necessarily in the immediate area of the Senkaku islands during lower levels of confrontation. In March 2017, the USS Carl Vinson Carrier Strike Group and the JMSDF conducted their largest combined exercise in the East China Sea ever.¹⁶ Coordinated air operations would also be critical. By March 2017, for example, Japan's response to PLA Air Force incursions in the East China Sea had already surpassed the total for the previous year.¹⁷

Whether or how the United States would become *directly* involved in a Senkaku crisis would be difficult to predict, beyond demonstrations of presence, resolve and flexible deterrence options (FDOs) such as deployments of strategic assets to Guam. The United States would have an enormous strategic stake in avoiding either a *de facto* Chinese victory or escalation. The best outcome would be de-escalation under Japanese leadership in responding to the crisis with Japan's national objectives fulfilled. At the same time, China now has the capacity to escalate across the entire First Island Chain, and the United States could find itself tied down in Phase One of an East China Sea crisis from the South China Sea to Taiwan and even the Pacific. Perhaps Beijing would avoid this approach in order to isolate and pressure Japan, but that might not continue into Phases One and Two of a crisis. Because Chinese escalation could be both horizontal (to other parts of the First Island Chain) or vertical (to domains such as cyber, space or even nuclear), the United States would have every interest in ensuring tight coordination with Japan at every stage. So too would Japan. Significant strides have been made with the Defense Guidelines and the Alliance Coordination Mechanism. However, given the ambiguity of when a Japanese "police action" becomes an Article V contingency, as well as the residual mismatches in command relationships, both sides have more work to do.

How Would Japan Respond to a Taiwan Contingency?

Japanese political and military leaders have had much longer to think about the possibility of a crisis in the Taiwan Strait. Though Taiwan was a Japanese colony from 1895 to 1945, post-war Japanese leaders usually tried to distance themselves from any responsibility for the security of Taiwan. Conservative non-mainstream politicians like Abe's grandfather Nobusuke Kishi, maintained strong ties to the Kuomintang (KMT) on Taiwan and shared a common anti-communist ideology with leaders in Taipei, but the dominant mainstream factions of the LDP saw their long-term future with the mainland. Meanwhile, Japanese defense officials and diplomats understood that the United States would have to rely on bases in Japan to defend Taiwan under the 1954 U.S.-Republic of China Security Treaty, but avoided any explicit commitment to make those bases available in a crisis. In 1969 President Richard Nixon coaxed a reluctant Prime Minister Eisaku Sato to agree publicly that the security of Taiwan was "important" to Japan—in exchange for the

¹⁶ "Carrier Strike Group 1, JMSDF Conduct Bilateral Operations," *SeaWaves Magazine*, March 29, 2017, <http://seawaves.com/2017/03/29/carrier-strike-group-1-jmsdf-conduct-bilateral-operations/>.

¹⁷ Jesse Johnson, "Chinese Defense Spending Stokes Concern, Debate As Military Ramps Up Operations in Air and Sea Near Japan," *The Japan Times*, March 13, 2017, <http://www.japantimes.co.jp/news/2017/03/13/asia-pacific/chinese-defense-spending-stokes-concern-debate-military-ramps-operations-air-sea-near-japan/#.WOJ--WkrLcs>.

return of occupied Okinawa to Japanese sovereignty. Sato subsequently pocketed Okinawa and ensured that no Japanese commitment was made to help the United States defend Taiwan. In the 1997 version of the U.S.-Japan Defense Guidelines, which were promulgated in part because of China's sabre rattling against Taiwan, Japan agreed for the first time to plan for cooperation with U.S. forces in "situations in the area surrounding Japan that have a direct impact on Japan's security." Though not explicitly named, it was expected that a Taiwan Strait crisis could be one such scenario. However, planners quickly hit the wall posed by Japan's ban on collective self-defense.

In this area, Abe's reassertion of the July 2015 cabinet decree has represented a critical turning point. The new interpretation of what is allowed under collective self-defense opens the first real possibility of joint planning and exercises related to contingencies in the Taiwan area, at least in theory. To be clear, Japan has no treaty or political obligation to assist with the defense of Taiwan. Even the United States policy is now guided not by formal treaty with Taipei, but instead by the Taiwan Relations Act of 1979, which states that: "It is the policy of the United States –to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan." Moreover, longstanding U.S. declaratory policy regarding contingencies in the Taiwan Strait has been to assert tactical clarity regarding the U.S. ability to defend Taiwan and our interests in the Western Pacific, but strategic ambiguity regarding the exact circumstances under which the United States would use military force to come to Taiwan's aid (Ronald Reagan and George W. Bush both leaned further forward towards strategic clarity at the beginning of their terms).

Nevertheless, Japan has now become a more reliable element in the United States' "tactical clarity" with respect to our ability to come to Taiwan's defense. While Beijing might once have calculated that Japan could be neutralized in any assault on Taiwan, PLA planners are now likely being forced to assume that Japan **will** be in with the United States in any scenario involving Taiwan. This significantly complicates Chinese planning for any attack on Taiwan, and makes seamless U.S.-Japan interoperability and coordination indispensable.

What specifically Japan –or the United States—would do depends very much on the scenario. Chinese blockade, missile attacks or amphibious assaults all present different challenges and requirements. The *casus belli* also matters to some extent (the degree to which Taipei provoked an assault by declaring independence, for example). Broadly speaking, however, Japan would have three major requirements in a Taiwan Strait scenario should Tokyo choose to support U.S. defensive operations for Taiwan. The first would be rear area logistical support. The second would be defense of U.S. bases and Japan itself from Chinese ballistic missile attack. The third would likely be securing sea lanes and perhaps airspace as far as the Senkaku Islands to ensure that the U.S. Navy and Air Force could operate effectively from Japan without having to divert U.S. assets for those missions. These operations would likely involve anti-submarine warfare, missile defense and tactical air warfare. The JSDF has considerable capabilities in all these areas, and has had high degrees of interoperability with the U.S. Navy in ASW since the Cold War (despite some atrophying of competencies after the collapse of the Soviet Union). There is no publicly available

evidence of joint planning or exercises for a Taiwan scenario *per se* but the growing interoperability of U.S. and Japanese forces reinforces the potential for unity of action, and that in turn enhances deterrence and stability.

The thing that stands out when one considers scenarios for Taiwan and Senkaku crises side-by-side is how much overlap there is in terms of requirements. This is a critical transition in U.S., Japanese and Chinese strategic calculations. A joint U.S.-Japan ability to operate in defense of the Senkaku Islands under Article V of the 1960 U.S.-Japan Security Treaty is now very close to what would be required under Article VI of the Treaty to respond to a Taiwan Strait crisis. China is largely responsible for this convergence as the PLA expansion and coercion up and down the First Island Chain has created one continuous front line for the maritime states in the Western Pacific. Japan is in the frontline for the first time since the Soviet expansion in the Northern Pacific in the late 1970s, and in the consciousness of the Japanese public, for the first time since the Second World War. For U.S. policymakers, the path forward is therefore clear. In order to dissuade and deter China in either a Senkaku or Taiwan scenario, the United States should seek greater jointness and interoperability with Japan. In order to avoid unilateral escalation by Japan, the United States should also seek greater jointness and interoperability. The changes in Japanese security policy under Abe, have opened the way.

But Will Japan Fight?

This is the great unknown. The undertow of postwar pacifism in Japan remains strong, to be sure. A 2015 WIN Gallup poll showed that only 11% of Japanese said they would be personally willing to fight for their country.¹⁸ But then, these hypothetical polls are historically weak in the face of actual conflict. In 1940, for example, a large majority of Americans said the United States should never become involved in the conflict in Europe. By 1942 the United States was assembling the largest army in its history to defeat Nazi Germany.¹⁹ Moreover, the broader support for defending Japan in the poll is noteworthy:

If a foreign country invades Japan, what would you do?

6.8% - join the SDF to fight.

56.8% - support the SDF, but not as a member of SDF troops.

19.5% - protest [against the foreign country] without using military means.

5.1% - won't protest

Do you think Japan should educate their own people about the importance of defending their own country?

72.3% - Yes.

21.6% - No

6.1% - I don't know.

¹⁸ "WIN/Gallup's global survey shows three in five willing to fight for their country," *WIN Gallup International Poll*, 2015, <http://gallup-international.bg/en/Publications/2015/220-WIN-Gallup-International%E2%80%99s-global-survey-shows-three-in-five-willing-to-fight-for-their-country>.

¹⁹ Michael J. Green, *By More Than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783*. (New York: Columbia University Press, 2017), 178.

Nevertheless, Japanese pacifism is still resilient, as Abe found when he was forced to narrow the scope of his security policy reforms in 2015 because of unexpected public resistance to tinkering too much with Article Nine (the “peace clause”) of Japan’s constitution.

The Japanese public also remains somewhat hopeful about the Senkaku situation, despite growing unease about China overall. When Genron NPO asked Japanese citizens in September 2016 about the Senkaku problem, only 28.4% of respondents said they thought a military dispute was possible and 46.5% said that Japan should negotiate and find a peaceful way to resolve the standoff with China. Problematically, 58.2 % of Chinese respondents to the same poll said that China should continue strengthening its control over the islands to protect its territory.²⁰ The contrast suggests that the Japanese public’s relative hopefulness might be misplaced.

Economic considerations would also affect Japan’s calculations in a crisis to some extent. According to estimates by the Daiwa Research Institute, if Japanese exports to China stopped for one month because of a confrontation over the Senkaku Islands, Japanese manufacturers would see a decrease by 2.2 trillion yen and Japanese automobile makers would suffer a loss of 1.445 billion yen. On the other hand, Japan is China’s third largest trading partner after the EU and the United States, and the nature of modern production networks and capital flows means that the economic pain of any conflict would be felt as much in Beijing as Tokyo –not to mention the rest of the global economy. In some respect, Japanese executives may be more patriotic (or one might argue nationalistic) than their American counterparts -- at least judging from the stoic stance Japanese CEOs have taken when hit with Chinese mercantile countermeasures during past crises. In short, economic interests would be a strong deterrent against escalation by either Japan or China, but not determinative.

The character of Prime Minister Abe and the effectiveness of his new National Security Council would also be key factors. It has been many decades since Japan has had such a clear-eyed national security strategy or well-functioning interagency process with respect to security policy. This might true even in comparison to the pre-war years, when bureaucratic infighting between the Imperial Army and Navy and timidity among leading Prime Ministers propelled Japan into a self-immolating war with the United States and Britain. Whether Abe’s successor –not likely to emerge for several years – has the same expertise and clarity on national security remains to be seen. Many of the security reform policies initiated by Abe preceded him and would likely continue after he is no longer prime minister. But a weak and indecisive leader can undermine the effectiveness of the entire state apparatus and the resolve of the public.

The professionalism of the JSDF, and particularly the maritime services (JMSDF and Coast Guard), is also an important factor. Anyone who has worked intimately with these officers and enlisted personnel would likely answer “yes” if asked whether they would put their lives at risk to defend Japan’s territory and people. This is a landmark change compared with the past. Even

²⁰ “The 12th daytime joint public opinion poll: results [*Dai 12 kai nicchuu kyoudou seron chousa: kekka*],” *Genron NPO*, September 23, 2016, <http://www.genron-npo.net/world/archives/6365.html>.

during the close U.S.-Japan cooperation to contain Soviet expansion in the 1980s, American officers were not certain if the JSDF was truly ready to fight. Today the JSDF are the most respected institution in Japan according to polls. While some of that is because of the JSDF role in responding to natural disasters, the respect also stems from pride in the forces as a national institution. When I was a student in Tokyo University in the late 1980s, JSDF officers only put their uniforms on when they entered their bases or the Defense Agency. Uniformed officers never entered the Prime Minister's Office. Today the JSDF officers wear their uniforms with pride and are regular participants in the new NSC meetings.

Of course, readiness is about more than morale. Japan still spends less than 1% of GDP on defense and faces significant shortcomings in readiness (ammunition reserves, for example) and command and control relationships among the three services and with the United States, as was noted.

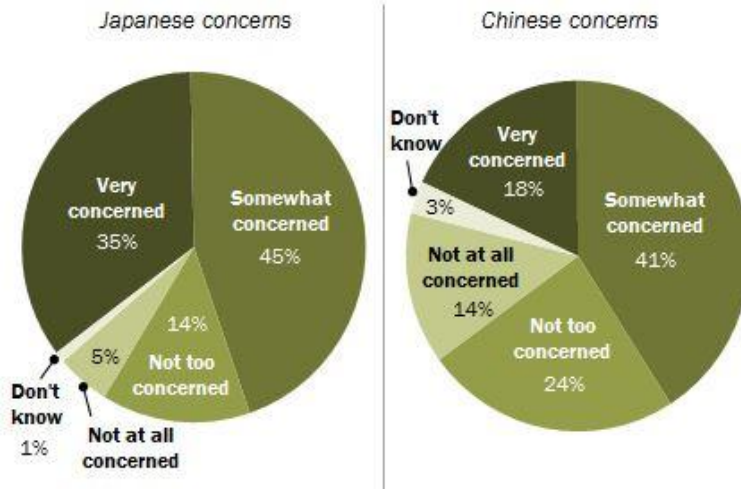
Ultimately, the point for U.S. and Japanese policy is to ensure that *nobody* has to fight to defend the open and secure order that our alliance has underpinned for the past six decades in the Pacific. Military preparedness is essential to deterrence, but the goal of our strategy is to win the peace and not be forced to win the war. An active and confident Japan working to strengthen rules and norms in Asia and to strengthen ties among the states on China's periphery is no less important than military preparedness. Indeed, a Japan that can confidently seek reassurance and stability in bilateral relations with China is also indispensable. And in all of this, Japan's confidence and activism will depend on American leadership as well.

APPENDIX

I. "Majorities in Japan and China concerned about territorial disputes," Retrieved from: Bruce Stokes, "Hostile Neighbors: China vs. Japan," *Pew Research Center*, September 13, 2016, <http://www.pewglobal.org/2016/09/13/hostile-neighbors-china-vs-japan/>.

Majorities in Japan and China concerned about territorial disputes

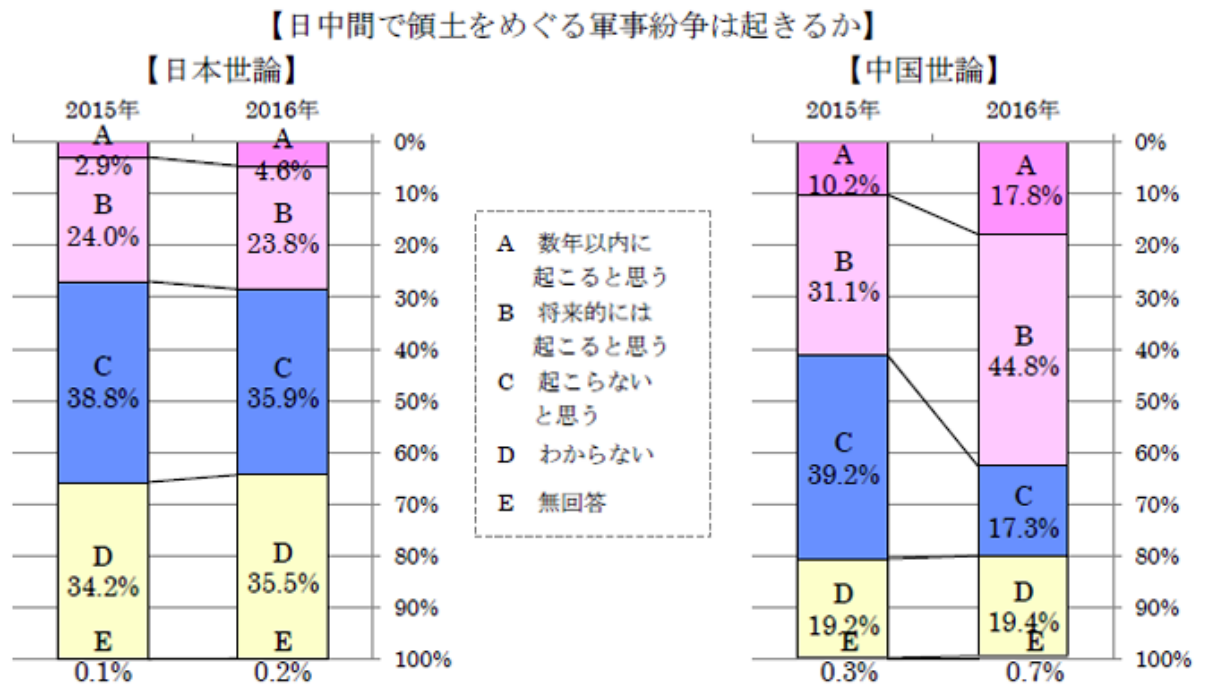
How concerned are you, if at all, that territorial disputes between China and neighboring countries could lead to a military conflict?



Source: Spring 2016 Global Attitudes Survey. Q100.

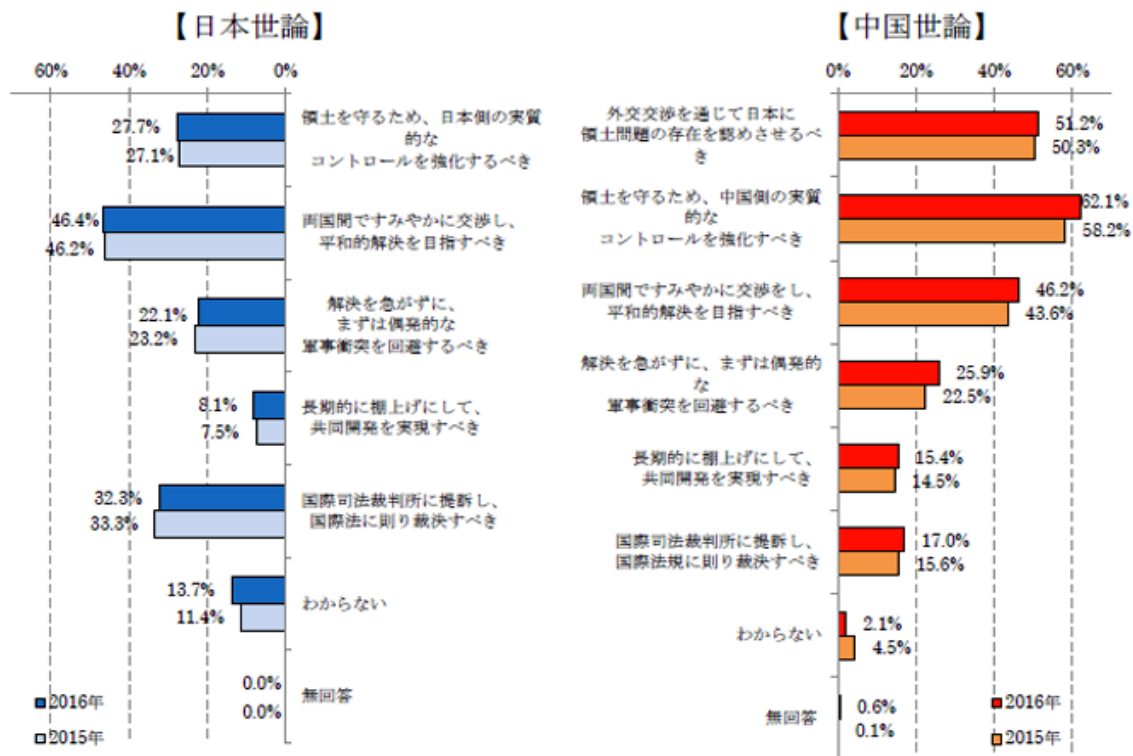
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II. "Will a military dispute regarding territory occur during the daytime? [Nicchuukan de ryoudo wo meguru gunji funsou wa okoru ka]." Retrieved from: "The 12th daytime joint public opinion poll: results [Dai 12 kai nicchuu kyoudou seron chousa: kekka]," Genron NPO, September 23, 2016 <http://www.genron-npo.net/world/archives/6365.html>



III. "How will territorial disputes be settled? [Ryoudo mondai wo dou kaiketsu suru ka]." Retrieved from "The 12th daytime joint public opinion poll: results [Dai 12 kai nicchuu kyoudou seron chousa: kekka]," Genron NPO, September 23, 2016 <http://www.genron-npo.net/world/archives/6365.html>

【領土問題をどう解決するか】



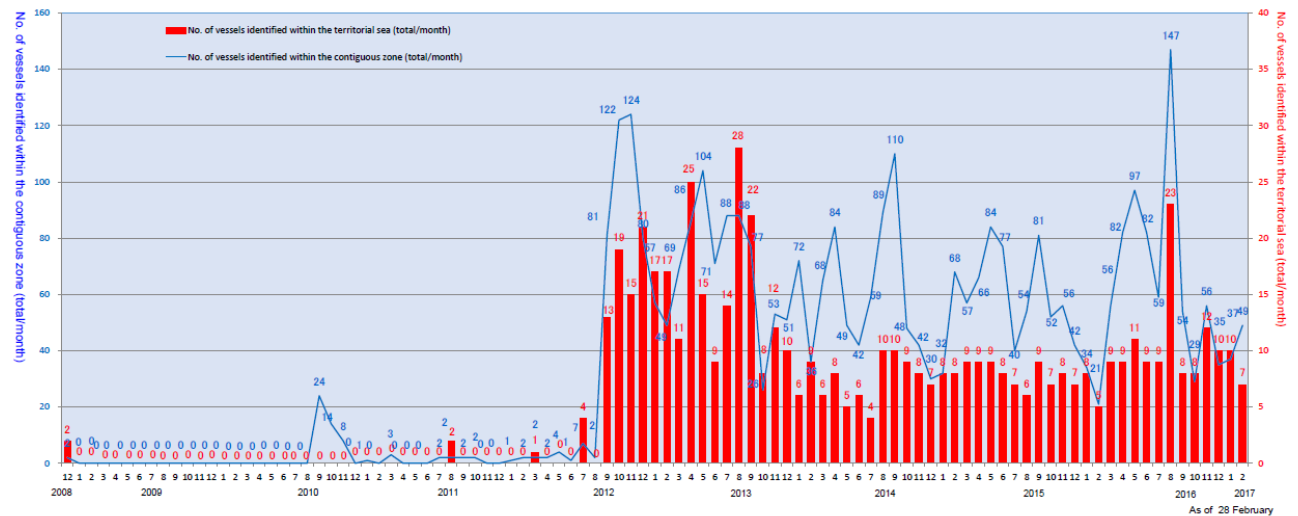
IV. "Comparison of Coast Guard Assets." Retrieved from: "East China Sea Tensions: Approaching a Slow Boil," *Asia Maritime Transparency Initiative*, April 14, 2016, <https://amti.csis.org/east-china-sea-tensions/>.



V. "Response to attacks on remote islands." Retrieved from: Japan Ministry of Defense, "Outline of the Medium Term Defense Program," http://www.mod.go.jp/e/publ/w_paper/pdf/2016/DOJ2016_2-2-2_web.pdf.

Response to attacks on remote islands	Development of a persistent ISR structure	<ul style="list-style-type: none"> ○ Deploy a coast observation unit to Yonaguni Island; introduce new airborne early warning aircraft; establish one squadron in the air warning unit and its deployment at Naha Air Base. ○ Prepare a deployment structure for mobile air defense radar on remote islands in the southwestern region.
	Obtaining and securing air superiority	<ul style="list-style-type: none"> ○ Increase the number of fighter aircraft units at Naha Air Base from one squadron to two; steadily procure fighter aircraft (F-35A); modernize fighter aircraft (F-15). ○ Procure new aerial refueling/transport aircraft (*3); equip transport aircraft (C-130H) with aerial refueling capabilities, and procure rescue helicopters (UH-60J).
	Obtaining and securing maritime supremacy	<ul style="list-style-type: none"> ○ Increase the number of Aegis-equipped destroyers. ○ Steadily procure patrol helicopters (SH-60K) and surface-to-ship guided missiles. ○ Introduce ship-based multipurpose helicopters.
	Improvement of capabilities for rapid deployment and response	<ul style="list-style-type: none"> ○ Introduce tilt-rotor aircraft (*1); steadily procure transport aircraft (C-2). ○ Acquire amphibious vehicles; refit Tank Landing Ships (LST). ○ Consider active utilization of civilian transport capabilities, and implement necessary measures. ○ Newly establish rapid deployment regiments with a focus on improvement of mobility; newly establish area security units in charge of initial responses on remote islands in the southwestern region; newly establish an amphibious rapid deployment brigade. ○ Improve guidance capability of precision-guided bombs; increase firing range of ship-to-ship guided missiles.
	Development of C3I	<ul style="list-style-type: none"> ○ Station GSDF, MSDF, and ASDF personnel in the main headquarters of each of the other services. ○ Extend the secured exclusive communication link for the SDF to Yonaguni Island; deploy mobile multiplex communication equipment at Naha Air Base.

VI. Japan Ministry of Foreign Affairs, “Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan’s Response,” March 6, 2017, http://www.mofa.go.jp/region/page23e_000021.html.



VII. “Structure of Major GSDF Units.” Retrieved from: Japan Ministry of Defense, “Outline of the Medium Term Defense Program,” http://www.mod.go.jp/e/publ/w_paper/pdf/2016/DOJ2016_2-2-2_web.pdf.

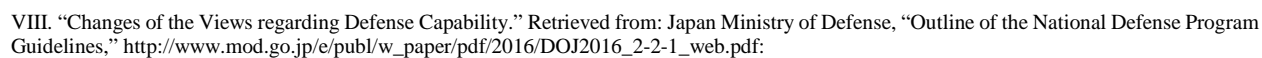
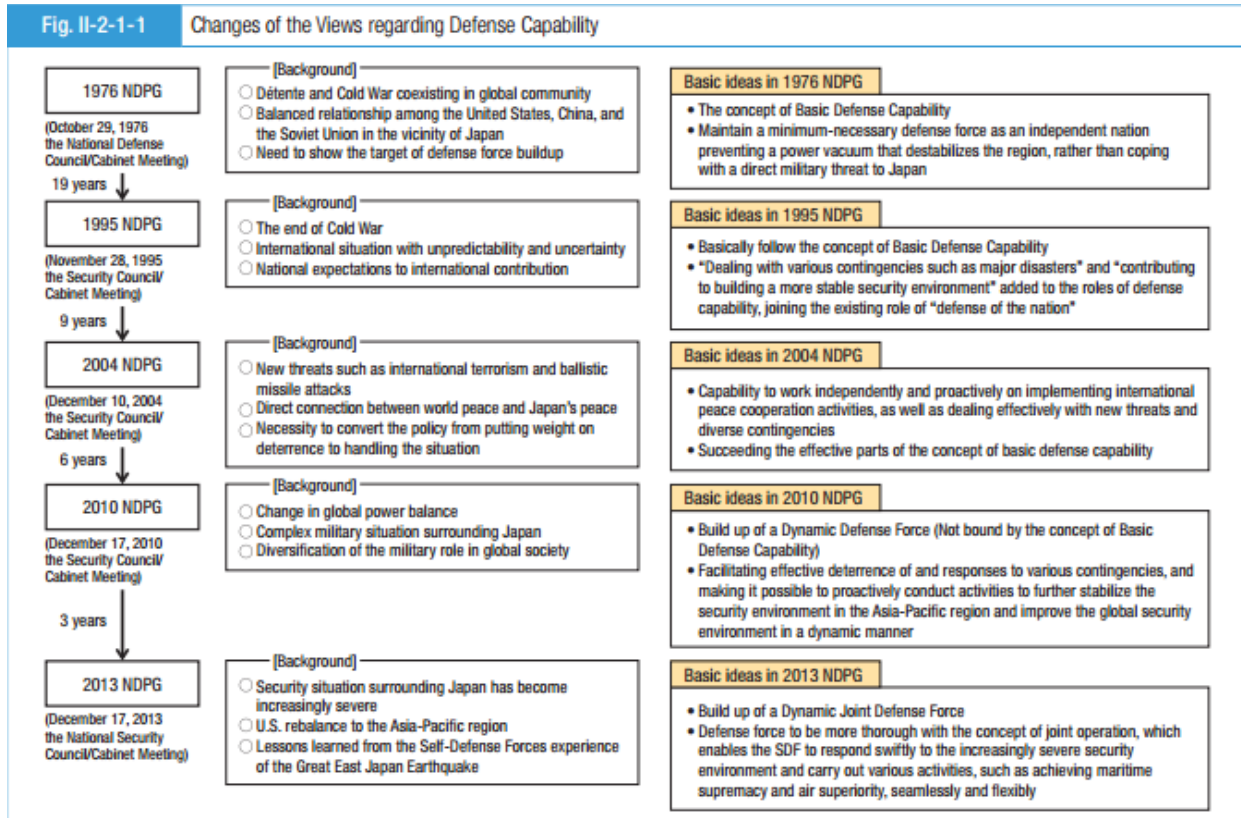
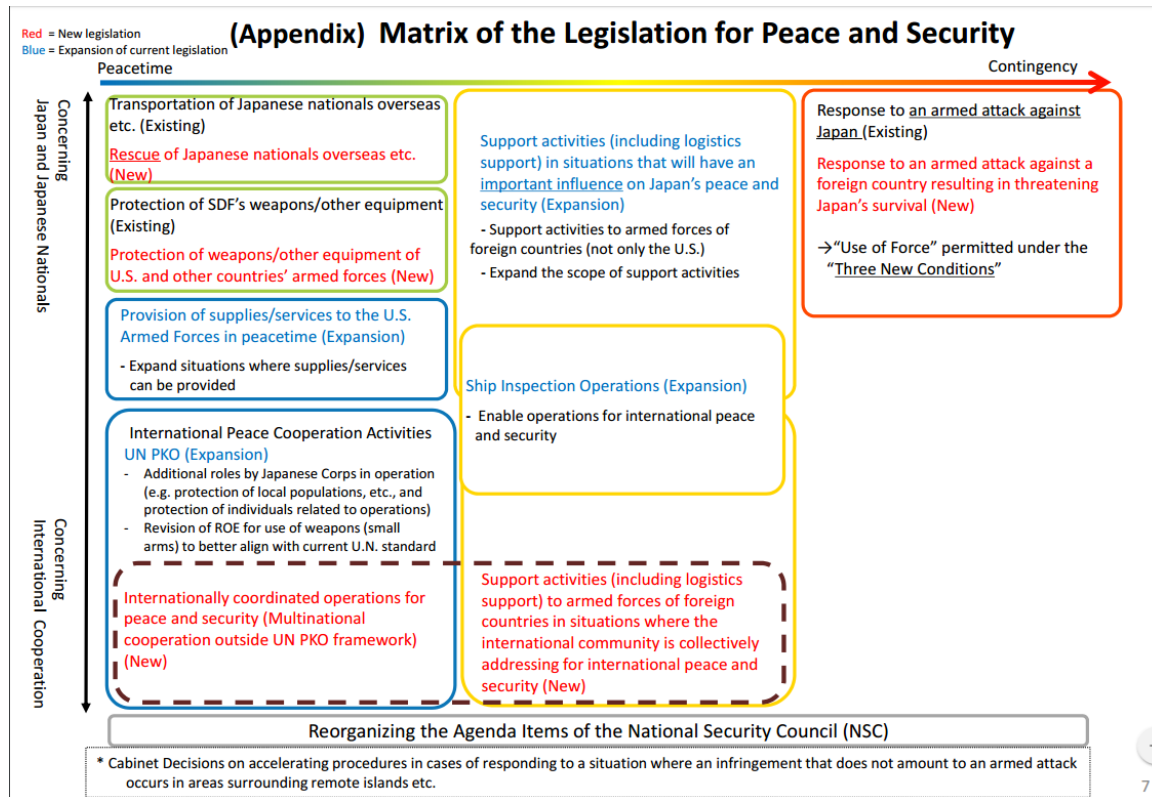


Fig. II-2-1-1 Changes of the Views regarding Defense Capability

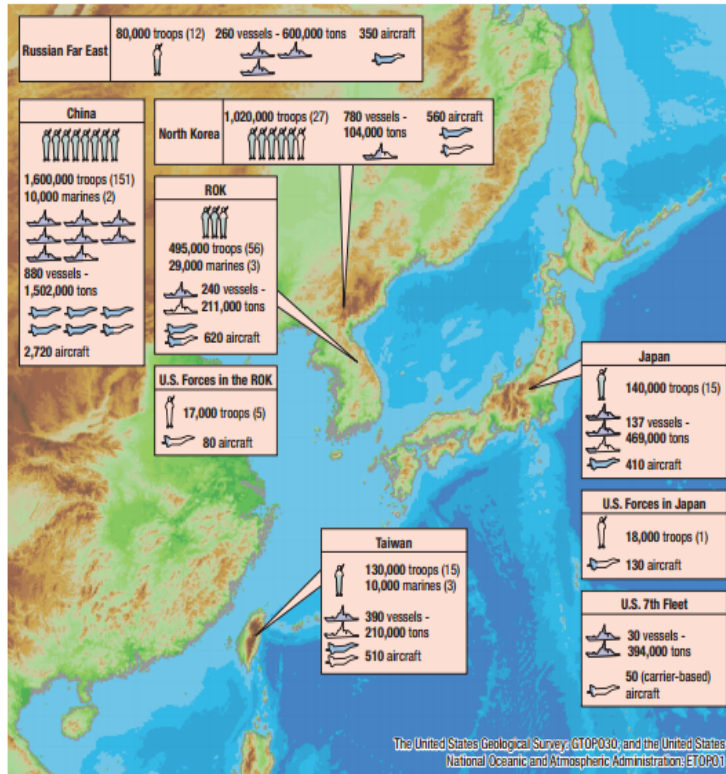


IX. "Matrix of the Legislation for Peace and Security." Retrieved from: Japan Ministry of Foreign Affairs, "Japan's Legislation for Peace and Security," March 2016, <http://www.mofa.go.jp/files/000143304.pdf>



X. "Major Military Forces in the Asia-Pacific Region (Approximate Strength)." Retrieved from: Japan Ministry of Defense, *Defense of Japan 2014*: 225, http://www.mod.go.jp/e/publ/w_paper/2014.html.

Fig. I-1-2-1 Major Military Forces in the Asia-Pacific Region (Approximate Strength)



- Notes: 1. Source: "The Military Balance 2016," documents published by the U.S. DoD, etc.
 2. Figures for Japan indicate the strength of each SDF as of the end of 2015; the number of combat aircraft is the sum of ASDF aircraft (excluding transport aircraft) and MSDF aircraft (fixed-wing aircraft only).
 3. Figures for the U.S. ground forces in Japan and the ROK are those of the Army and Marine Corps personnel combined.
 4. Combat aircraft include Navy and Marine aircraft.
 5. Figures in parentheses show the total number of central units, such as divisions and brigades. That of North Korea shows only divisions. That of Taiwan includes military police as well.
 6. The number of U.S. 7th Fleet vessels and aircraft indicates those which are forward-deployed in Japan and Guam.
 7. Figures of combat aircraft of the U.S. Forces, Japan and the U.S. 7th Fleet include only fighters.

Legend

Ground forces (200,000 troops)	Naval vessels (200,000 tons)	Combat aircraft (500 aircraft)

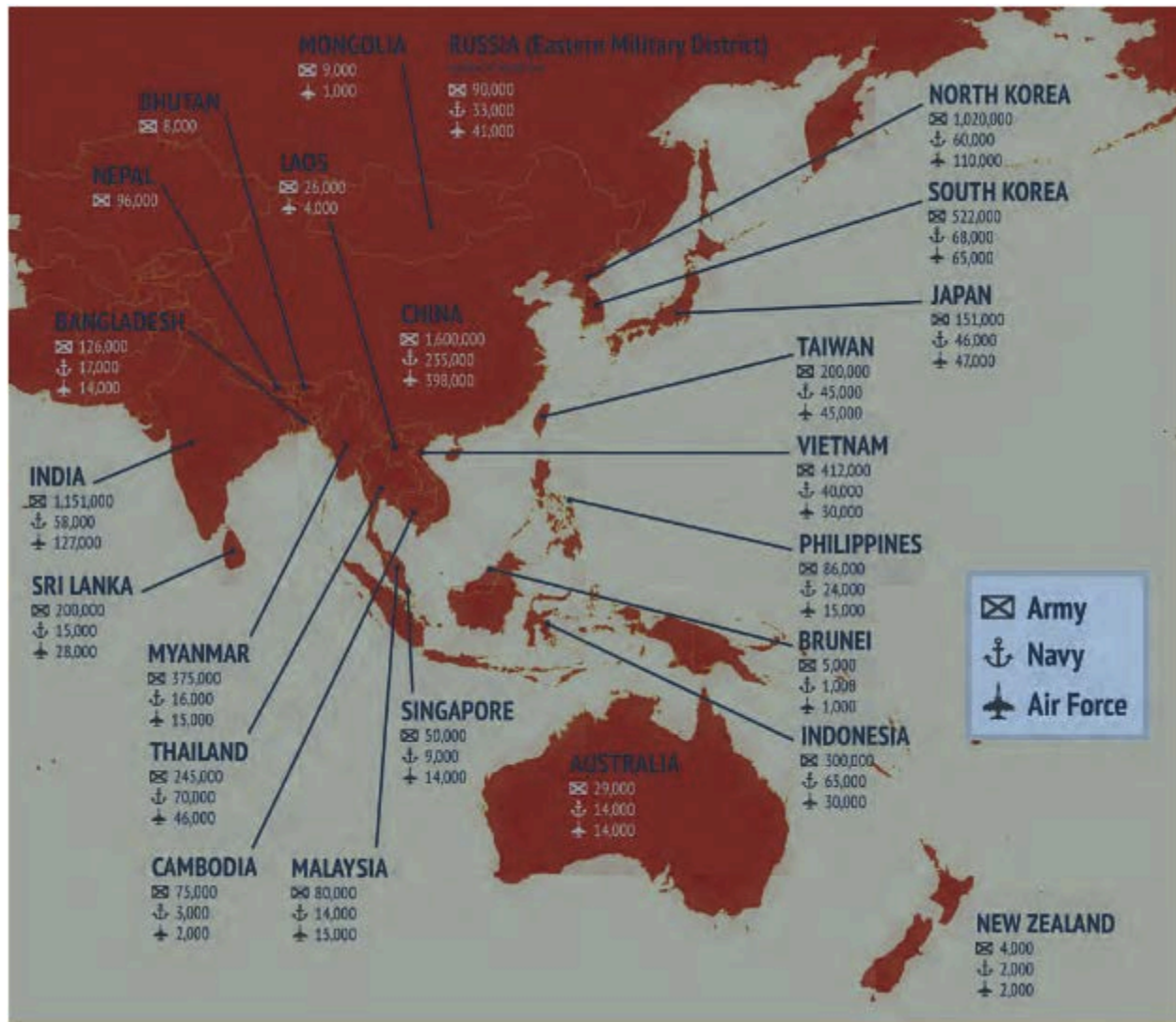
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Figure 3

Year 2016										
	PLAN	USN in Asia-Pacific	JM SDF	Brunei	Indonesia	Malaysia	Philippines	Thailand	Vietnam	Taiwan
CV	1	1	0	0	0	0	0	1	0	0
SSBN	4	0	0	0	0	0	0	0	0	0
SSN/SSK/SSA	59	8	18	0	2	2	0	0	6	4
Destroyers	21	22	39	0	0	0	0	0	0	4
Frigates	51	2	6	0	9	2	3	9	4	22
Corvetts	18	0	0	4	22	12	12	10	9	0
Year 2030										
CV	4	2	0	0	0	0	0	1	0	0
SSBN	5	2	0	0	0	0	0	0	0	0
SSN/SSK/SSA	87	15	22	0	15	5	0	5	6	10
Destroyers	34	55	48	0	0	0	0	0	5	10
Frigates	68	15	6	0	0	6	3	13	15	35
Corvetts	26	0	0	4	30	20	12	13	20	0

Source:
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**OPENING STATEMENT OF MIRA RAPP-HOOPER PH.D.
SENIOR FELLOW, CENTER FOR A NEW AMERICAN SECURITY**

Dr. Rapp-Hooper.

DR. RAPP-HOOPER: Vice Chairman Shea, Senator Goodwin, distinguished Commissioners, thank you very much for the opportunity to testify before this panel today.

I will be speaking about the prospect of crises and conflict in the South China Sea with a particular eye to the role that the Philippines and Vietnam will be playing, and I will argue that U.S. leadership, or its palpable absence, will be among the foremost determinants of security and stability in the South China Sea.

Well before the U.S. presidential elections this year, regional states had grown anxious about Washington's staying power in Southeast Asia, and the first few months of the Trump administration have accelerated this problem.

Regional states, including Vietnam and the Philippines, have begun to actively hedge against the possibility of U.S. withdrawal from Southeast Asia.

If Washington hopes to prevent the balance of power in the South China Sea from shifting in China's favor in dramatic ways, it must commit to deep engagement in Southeast Asia and construct a whole-of-government approach to this vital waterway.

I'll start by noting today that the South China Sea disputes really exist on two levels. On one level, we have regional claimants and their maritime and territorial claims in places like the Spratly Islands or the Parcel Islands. But on another level, we increasingly have geostrategic competition between major powers. That is the United States and China. And any strategy for engaging the South China Sea has to engage both of those levels of the dispute simultaneously and balance them against each other.

The Obama administration was successful in committing significant resources to diplomacy in Southeast Asia via its Rebalance policy, but by the end of the administration, regional states had grown wary of U.S. staying power, owing to the imminent failure of the Trans-Pacific Partnership and the United States' inability to stop China's island-building campaign.

What I'm arguing today is that the hedging behavior that we have started to see from both the Philippines and Vietnam could in and of itself invite crises and conflicts and over time will ultimately undermine U.S. strategic objectives in Southeast Asia and the South China Sea.

The Philippines has long been the fulcrum of the United States strategy in the South China Sea but quickly became a wild card after it elected President Rodrigo Duterte last May. Despite the fact that the Philippines scored an unbelievable blowout in the Permanent Court of Arbitration decision this past July, after three years' worth of legal battles, Duterte has soft-pedaled this decision, in fact preferring to pursue negotiations with Beijing in hopes of currying investment income and other deals with China so has really deemphasized international law and the role of maritime and territorial disputes in Philippines' foreign policy.

To create distance from the United States, Duterte spent several months holding the U.S. alliance at risk, suggesting he would be willing to cancel joint exercises, revoke U.S. base access, and do other things to undermine the work that has been put into strengthening this relationship.

But it's worth noting that in the last several months, he has not met word with deed, and, in fact, the alliance remains fully intact, all the while, however, his extrajudicial killing campaign has gone on, making it very difficult for the United States to engage with him as a full partner in

Southeast Asia.

Despite the seemingly positive diplomacy between the Philippines and China, there have been signs in early 2017 that all is not well in the relationship between those two countries in the South China Sea, and that indeed the South China Sea may reemerge as a flashpoint between the two of them before too long.

In just the first few months of 2017, we've seen several high level Philippine officials, including the president himself, remind us that Scarborough Shoal is a, quote, "red line" for the Philippines, meaning a contingency over which they might be willing to use force in some sort of conflict against China.

And these statements were precipitated by a threat by the Chinese to install some form of environmental monitoring equipment in or around Scarborough Shoal. Scarborough Shoal, of course, is a land feature that the Chinese seized from the Philippines back in 2012, has remained a very contentious spot in their relationship, and I think is the most likely path to conflict, both for the Philippines and potentially for the United States in the South China Sea because of the United States Mutual Defense Treaty with the Philippines.

China would be far more likely to take provocative or opportunistic action around Scarborough Shoal if it believed that the United States would not intervene, that is stand aside from a conflict.

Vietnam has been engaged in active hedging of a very different variety, and the death of TPP was a particular blow to Hanoi. Since then, it's been upgrading its own military capabilities, fortifying its islands, dredging on some of its territories, and extending runways in the Spratly Islands to accommodate larger aircraft, all the while inching closer to Beijing politically, calculating that it may, in fact, be the more dependable partner now that the United States is no longer offering up an economic agenda in Southeast Asia.

Vietnam, however, is not a treaty ally and has a history of managing complex relationships with the Chinese. So it seems relatively unlikely that a Vietnam contingency would be a pathway to conflict for the United States, at least in the immediate term, although we might well see a cycle continue where the Vietnamese and Chinese continue to arm themselves in a destabilizing cycle all the while pursuing relatively warmer economic and political relationships.

This fear of U.S. regional disengagement has accelerated in the early months of the new presidential administration because the administration has not yet sent clear signals about the role that the South China Sea will play in its foreign policy.

Secretary Mattis sent very consistent signals with the past administration when he visited the region back in February. But when Secretary Tillerson visited in March and, indeed, when President Trump and President Xi met at Mar-a-Lago, there was virtually no mention of the South China Sea, which has struck some states in Southeast Asia as perhaps suggesting that it no longer is an essential element of U.S. policy towards the region.

Regional states have also growing concern that there have not been freedom of navigation operations conducted in the South China Sea at all in the early months of this administration, nor were there freedom of navigation operations in the final months of the Obama administration, raising a question as to whether or not the United States is, in fact, taking a new approach.

Additionally, there's been little mention of diplomatic or economic initiatives, engagement with ASEAN, and a lot more emphasis on unilateral military instruments.

But it is, of course, absolutely essential when it comes to any South China Sea policy to see the South China Sea as a fundamental issue of international order. That is an issue area

where the fundamental questions we are asking is who will set the rules in Southeast Asia; who will set the rules in the South China Sea; and will they be followed?

So diplomatic strategies that engage multilaterally are absolutely essential to a successful outcome.

The dangers of U.S. disengagement and of a power vacuum in the South China Sea are clear. They include the full militarization of the Spratly outposts, major deployments of fighters and major surface combatants by China, and increased risk of a clash between China and other claimants, and ultimately a message being sent to Southeast Asian partners that the United States was not able to do anything to stand up to China in its assertive island-building campaigns.

Ultimately, this would suggest to U.S. treaty allies that U.S. security guarantees may be less credible and could culminate in Southeast Asia tilting toward China economically and politically.

So when it comes to policy recommendations, and I am just wrapping up, I have several to suggest.

One is that the Trump administration begin right away by conducting a thorough policy review of South China Sea policy, which is something that would have been long overdue for any administration. It should identify U.S. interests and objectives in the South China Sea as well as the full suite of tools that it can bring to bear to try to secure those objectives.

And I'll note to our Commissioners that the United States declaratory policy for the South China Sea actually has been almost completely consistent since 1995 despite the fact that clearly the stakes in the South China Sea have heated up. So it's long overdue time for a policy review on this very important issue area.

My second group of recommendations is that the administration message and craft policy that extends far beyond the suite of unilateral military tools that it's emphasized so far, meaning a balanced policy that includes diplomatic and economic initiatives for Southeast Asia.

When Vice President Pence travels to the region just this week, this would be an excellent opportunity for him to send messages along these lines, as it would be if and when Secretary Tillerson meets with ASEAN foreign ministers in May.

And indeed when Secretary Mattis speaks at Shangra-la in June, he should certainly also articulate a holistic vision for the United States defense role in Southeast Asia that includes a commitment to security assistance and maritime domain awareness in addition to things like the unilateral military instrument.

Third, it's essential that the administration begin to craft its approach to Duterte, that is not to simply keep the alliance in a quiet low profile mode hoping to see what happens next, but indeed recognizing that Scarborough Shoal in particular remains a very salient hotspot in the Philippines-China relationship. And that the United States and the Philippines will have to coordinate about what this contingency might entail before a crisis or conflict around this feature emerges.

And finally another issue area in which I think Congress certainly has a role to play is in the regular monitoring and oversight of the United States' defense operations in the South China Sea. As I mentioned in my remarks, we have not seen freedom of navigation operations in recent months, and although it is essential that the United States maintain a regular military presence in the South China Sea, it's also essential that that regular military presence not necessarily be vaunted in the press but rather something that the United States government does consistently and regularly without needing to make high profile press statements to call attention to it.

So Congress has an absolutely essential role to play here to ensure its oversight role,

perhaps requesting quarterly briefings or reports of the freedom of navigation operations, reconnaissance operations, and other presence operations that Pacific Command is undertaking to uphold the United States presence in the South China Sea.

Ultimately, I'll conclude just by noting that engagement in both levels, both the regional level and the U.S.-China competition level of the South China Sea, is essential in a whole-of-government manner if the Trump administration hopes to craft a holistic approach to this waterway. This type of engagement often has no glory attached to it and can be very frustrating indeed, but it's decidedly essential if we hope to avert a continued shift in the balance of power in China's favor in this vital waterway. Thanks so much.

**PREPARED STATEMENT OF MIRA RAPP-HOOPER, PH.D.
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Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

Vice Chairman Shea, Senator Goodwin, thank you for the opportunity to testify before this distinguished commission on “Hotspots in China’s Maritime Periphery.” In the coming months, U.S. leadership—or its palpable absence—will be among the foremost determinants of security and stability in the South China Sea. For the last several years, the United States has struggled to mount a steady rejoinder to China’s increasing assertiveness in this waterway. Well before the U.S. presidential election, regional states were growing anxious about Washington’s staying power in Southeast Asia. The first few months of the Trump Administration have, however, precipitously accelerated this problem. With no consistent information about how the President intends to approach the South China Sea or the relationship with China, and little indication of the Trump team’s intent to uphold the longstanding international order, regional states, including Vietnam and the Philippines, are hedging against U.S. withdrawal. If Washington hopes to prevent the balance of power in Southeast Asia from shifting in China’s favor in dramatic ways, it must declare its priorities for this vital waterway, and work to meet word with deed before an irreparable power vacuum emerges.

Shifting Sands in the South China Sea

The South China Sea is what political scientists refer to as a “two level game.” On the regional level, it is a complex web of longstanding territorial and maritime disputes among the claimants. But as China has risen and begun to extend its military reach, it has quickly taken on a second dimension as a crucible for great power competition in Asia. These two levels are not always neatly complimentary, and this has been reflected in U.S. policy.

Since 1995, the United States has had a consistent declaratory policy on the South China Sea: it is neutral on the underlying sovereignty claims, but supports the peaceful resolution of disputes, international law, freedom of navigation, and opposes the use of coercion. This declaratory policy is an accurate reflection of U.S. interests in the disputes, narrowly defined—Washington does not have a stake in the sovereignty of any single land feature, but cares deeply that the disputes do not disrupt regional order. To provide leadership on the disputes, the United States has become more involved in ASEAN, supported Code of Conduct negotiations, and worked to build diplomatic coalitions behind shared international principles.

As China has risen and modernized its military, however, a second layer of South China Sea tension has emerged: the great power competition between the United States and China. China has long claimed territory in these waterways, but as its navy and coast guard have grown, so too has its ability to press its claims. The most obvious example of this is China's island building campaign, through which it has engineered seven sophisticated military bases on former reefs and rocks. This assertiveness has also made longstanding disagreements between the United States and China, such as their interpretations of UNCLOS and the definition and practice of "freedom of navigation" all the more pronounced. Fundamentally, this competition is over whether or not China will succeed in revising the territorial and political status quo in Southeast Asia in its favor. The United States definitively has a vital interest in this layer of the dispute, as Washington cannot guarantee the security of its allies or the free flow of commerce if Beijing carves out a sphere of influence in Southeast Asia.

U.S. policymakers have struggled to manage both levels of these disputes simultaneously. Working through consensus-based ASEAN to help guide claimant states is often frustrating, as the 10 members hold very different views of China and of the disputes. Little tangible progress has been made in recent years, and the modest accomplishments have not kept pace with China's advances. Nonetheless, if the United States disengages diplomatically from Southeast Asia, regional states will quickly conclude that it is unconcerned with their interests and will not support Washington's. When the United States takes a strong stand against Beijing without sufficient consultation, regional states judge U.S. actions to be escalatory; when the United States fails to push back sufficiently, the same states will conclude that the United States cannot be counted on to provide for their security. Striking an appropriate balance requires significant diplomatic exertion.

Moreover, when they craft their own approaches to the South China Sea, regional players are constantly assessing the degree to which the United States appears to be a dependable presence in diplomatic, economic, and military terms. If it appears insufficiently committed to its regional role, they are more likely to conclude that its longer-term interests are better served by accommodation with Beijing. Regional states' alignment decisions therefore have the ability to meaningfully shift the regional balance of power. Any successful strategy for the South China Sea requires the United States to engage both levels of these disputes.

An Adverse Tilt in Southeast Asia

Well before the 2016 presidential election, the United States was on shaky footing with its South China Sea approach. The Obama Administration was successful at improving its diplomatic and military presence in Southeast Asia through its Rebalance policy, but these efforts were largely outpaced by Chinese assertiveness, particularly after 2014. The administration overhauled its diplomatic engagement with ASEAN, which helped claimants to publicly oppose Chinese militarization and to support freedom of navigation. It increased its rotational base access in Southeast Asia through agreements with Singapore, the Philippines, and Australia. But the administration did not respond to China's island building as decisively or consistently as it might

have, and as China has proceeded with its obvious militarization efforts, claimants have grown concerned that the United States simply is not willing to accept risk to stand up to Beijing.

Moreover, by mid-2016 it had become apparent that the United States would not pass TPP, its signature economic agenda for the region. TPP had great symbolic value even to states who were not negotiating partners, because it was a demonstration of the U.S. intent to remain engaged in the region, and to provide an economic alternative to China. With the multilateral trade pact in jeopardy, and China's island bases nearly complete, regional allies and partners began to tilt away from Washington. The Philippines and Vietnam have been prime examples of South China Sea hedging.

Philippines

Throughout the Obama Administration, the Philippines was the fulcrum of the United States strategy for the South China Sea, but quickly became a wildcard with the May 2016 election of Rodrigo Duterte as President. The firebrand Duterte was elected for his populist, law-and-order approach—not for his foreign policy views—but made no secret of his antipathy for the United States or his desire to curry favor with China to seek investment deals. Following three years of strenuous legal efforts, the Philippines scored a sizeable victory against China in July 2016 in its South China Sea arbitration case against China. Yet rather than seeking international support to cement its win, Duterte, whose positions on the South China Sea are consistently erratic, quickly sought to open bilateral talks with Beijing. His gambit culminated in an October trip to China, in which he managed to secure \$24 billion of investment deals. It remains to be seen how much of this aid will actually be delivered, or if it will lead to additional agreements.

As he courted Beijing, Duterte distanced himself from the United States by holding the alliance at risk. He proclaimed his intention to cancel military exercises and joint patrols and threatened to invalidate the 2014 Enhanced Defense Cooperation Agreement. While in Beijing, he dramatically declared a “separation” from the United States and a “realignment” with China. The Obama Administration opted not to engage Duterte's histrionics, or his brutal extrajudicial killing campaign directly, and instead sought to keep the alliance on track in a lower-profile manner at the working level. This proved to be wise: Duterte has met little of his anti-U.S. rhetoric with deed, and the basic trappings of the alliance have remained intact.

Despite Duterte's desires to soft-pedal the disputes to extract investment from China, it is unlikely that Manila and Beijing will be able to put their South China Sea tensions to rest permanently, and crises or conflict are still very real possibilities. For the first time since it seized the reef in 2012, China has permitted Philippines fishermen to return to Scarborough Shoal, but this remains a flashpoint for potential escalation between the two countries. In March 2016, China began to take steps towards construction at Scarborough Shoal, which lies in the Philippines Exclusive Economic Zone, but ceased this activity following private pressure from President Obama. In March 2017, however, China declared an intent to build an environmental monitoring station near the reef. Since the beginning of the year, the Philippines Foreign Secretary, Defense Minister, and President have all declared Chinese building at Scarborough to

be a “red line” for the Philippines. Another potential hotspot is Second Thomas Shoal, where Philippines marines monitor a makeshift outpost on a grounded and dilapidated ship, the *Sierra Madre*.

In early April, Duterte declared an intent to “occupy” all Philippines-claimed features in the Spratlys for the purposes of upgrading them militarily. He has since walked back this threat, but these recent developments underscore the fact that Philippines-China tensions are not far below the surface.

While Washington has never stated that the U.S.-Philippines Mutual Defense Treaty applies to Manila’s South China Sea claims, a crisis or conflict between China and the Philippines over Scarborough Shoal or Second Thomas Shoal remains perfectly plausible. The most likely path to escalation would be if Beijing decided to seize one of these features, perhaps using paramilitary vessels, and to exclude the Philippines. Duterte, who maintains high approval ratings and continues to stoke nationalist sentiment, could call for a counter-operation to retake the feature. China would be far more likely to take this provocative step if it felt confident that the United States would not intervene.

Vietnam

Since mid-2016, Vietnam has been engaged in active hedging of a different variety. The death of TPP was a particular blow to Hanoi, which had been inching towards closer alignment with the United States in recent years. In the last several months, Vietnam has not had much high-level, public association with the United States, preferring instead to upgrade its own military capabilities in the South China Sea to hedge against American withdrawal, while seeking modestly warmer ties with China.

Vietnam has sought foreign military sales to bolster its defense position, including six new Russian Kilo-class submarines. It has entered talks to buy surface-to-air missiles from India and will receive new patrol boats from Japan. Vietnam has also been fortifying the island territory it holds, dredging on Ladd Reef to add extra territory, extending a runway on Spratly Island to accommodate larger aircraft, and moving mobile rocket launchers capable of hitting Chinese bases onto some of its outposts. It has also demanded that China stop operating cruise ships in the South China Sea, as these voyages aim to legitimate its claims in the area. In late 2016, it invited both U.S. and Chinese warships to visit its port at Cam Ranh Bay.

While it has been fortifying its Spratly outposts and ability to defend them, Hanoi has simultaneously inched closer to Beijing politically. The two governments share longstanding Communist Party ties, and the death of TPP upended Vietnam’s strategy for boosting regional and international trade.

Officials in Hanoi have now calculated that China may be the more dependable economic partner. Moreover, despite its quiet Spratly buildup, Vietnam and China pledged to “manage” their maritime disputes peacefully in a January 2017 communique, and analysts have noted that Hanoi is deeply skeptical that the Trump Administration will pursue a dependable or consistent

South China Sea policy. Unlike the Philippines, Vietnam is not a U.S. treaty ally, and is therefore less likely to entangle the United States in conflict if it hopes to stand aside. Outright conflict between Vietnam and China seems unlikely, unless China attempts to seize Vietnam-held features. If the last several months of policy continue, however, Hanoi and Beijing could find themselves in a destabilizing cycle of arming their Spratly outposts, while nonetheless pursuing warmer economic and diplomatic ties.

Early South China Sea Policy Under Trump

Since the U.S. presidential election, regional hedging has only accelerated, as partners worry that the Trump Administration will leave a leadership vacuum in Southeast Asia. This is largely because the administration has sent no clear signals as to the role the South China Sea will play in its foreign policy—or, indeed, whether it has a role at all. On the campaign trail, President Trump made little mention of the South China Sea, or Southeast Asia more broadly. Since his inauguration, the administration's messaging on the South China Sea has been sparse, and sometimes confusing.

Regional allies were surprised when, at his confirmation hearing, Secretary of State Rex Tillerson appeared to call for a naval blockade of China's artificial islands. Secretary Mattis appeared to walk these comments back and expressed continuity of South China Sea policy when he visited Asia in early February, but there have been few signs since that the administration sees the issue as a priority. Reporting suggests that the South China Sea did not feature prominently in exchanges between Tillerson and Chinese President Xi Jinping in Beijing in March, nor was it a subject of much discussion between President Trump and President Xi in Mar-a-Lago. Additionally, the Trump Administration has not conducted a single Freedom of Navigation Operation (FONOP) in the South China Sea since taking office despite regular requests from Pacific Command to do so, which indicates that the White House may have, in fact, decided to take a new approach without explaining it.

It is possible that the lack of attention to the South China Sea is attributable to the fact that the administration has not named an Assistant Secretary of State or Defense for Asia. At present time, it has little Asia expertise on hand beyond the Senior Director at the NSC. Regional states are concerned, however, that the administration will simply not prioritize the South China Sea as a strategic issue. Thus far, the Trump Asia agenda has focused on North Korea as a pressing security concern, and on trade and economic issues with China. It is perfectly possible for the White House to exercise leadership in the South China Sea while pursuing these priorities, but so far it has not chosen to do so.

Beyond its relative inattention to the South China Sea as a policy issue, regional states have also grown concerned about the means with which the Trump Administration intends to engage Asia. The White House has made much of its desire to increase the defense budget, and to push for a 350-ship navy. While a robust U.S. presence in the Pacific is necessary to demonstrate continued regional commitment, is it hardly sufficient. In a marked departure from the Obama

Administration, the administration has thus far made no mention of ASEAN, Southeast Asia's premiere multilateral forum, nor has it demonstrated interest in engaging with other regional institutions. Regional states are worried that significant cuts to the State Department budget will mean that U.S. diplomats become scarce. And because it swiftly killed TPP in its first days in office, regional partners have few indications that the Trump White House intends to play a constructive economic role in the region. Few experts would have expected Trump to use the Obama Administration's "Rebalance" moniker to describe its Asia approach, but by emphasizing only unilateral military tools, and giving little attention to diplomacy or economics, its early Asia approach looks lopsided, and offers regional states few positive-sum, peacetime benefits from continued cooperation with Washington.

Regional states have reason to worry that the lack of attention to Southeast Asia is not an early oversight, but a revelation of more systematic proclivities. On the campaign trail and since he has been in office, President Trump has generally taken little interest in the so-called "international order"—the web of treaties, international institutions, norms, and laws that has comprised America's global leadership since 1945. His "America First" philosophy is incredibly narrow and unorthodox in its definition of American interests, and his favored security policies have generally prioritized a bristling military and the direct defense of the homeland. The South China Sea is hard to justify as an American national interest in these narrow terms. Indeed, the competition between the United States and China in this waterway is fundamentally one over the nature of the international order in the 21st century. Who will set the rules? Will international law be applied and will treaties be observed? Will disputes be resolved without a resort to coercion? If the United States hopes to avert further shifts in the political and territorial status quo in this waterway, it will have to exercise strong diplomatic leadership to convince other states in Southeast Asia that it still intends to uphold the aspects of this international order on which they have come to depend.

The Dangers of a South China Sea Power Vacuum

Labeling the South China Sea a fundamental issue of international order makes American interests there sound somewhat abstract. If the United States allows a leadership vacuum to emerge around this vital waterway, however, it will come with tangible and enduring costs. Since Trump's election, Chinese President Xi Jinping has been eager to portray himself as the logical heir of globalization and the international order. China is not yet powerful enough politically, economically, or militarily to take a preeminent leadership role on the global stage. Yet its last few years of activity in the South China Sea should remind us that it is increasingly capable of advancing its strategic aims near its shores. If the United States fails to prioritize the South China Sea, it all but guarantees that Beijing will fill this space.

One obvious cost to U.S. disengagement would be China's full militarization of its Spratly Island outposts. Despite Xi Jinping's 2015 pledge not to militarize these bases, China has been doing so all along, building runways and port facilities capable of accommodating fighter jets and major surface combatants, and installing sophisticated sensing equipment that will allow Beijing to

extend its monitoring capabilities far from its shores. With no U.S. pushback, China could easily be stationing a full wing of fighter jets and large naval vessels in the Spratly Islands within a few years. It will use these floating bases to compensate for its military shortcomings in logistics and resupply, rotating forces through them to allow it to project power much farther than it could before. Before long, China may move cruise and anti-ship missiles onto these islands as part of its A2/AD network inside the First Island Chain. It may also declare a South China Sea Air Defense Identification Zone, as it did in the East China Sea in 2013 in an effort to establish administrative authority over this contested airspace. This militarization would raise the risk of a clash with the Philippines or Vietnam. And while this bolstered presence will not stop the U.S. military from operating in the area in peace or wartime, it would certainly raise the risk and costs associated with doing so.

Second, a failure to remain engaged in the South China Sea would likely result in China seizing more territory and beginning new building projects. Experts believe that Beijing is likely to try to seize Scarborough Shoal before too long, and it could also try to oust Philippines' marines from their position on Second Thomas Shoal. If China succeeded in building facilities on Scarborough, it would have a base less than 200 miles off the coast of Luzon, from which it could easily threaten or attack the Philippines. Moreover, it would complete a "strategic triangle," which would include its bases in the Spratly and Paracel Islands and allow it to project power over and monitor much of the South China Sea. If China were to begin building on Scarborough, which it seized from the Philippines, this would also send a grave signal about U.S. resolve to protect allies' interests. This expansion would also run the risk of sparking a serious crisis or conflict with the Philippines.

Moreover, it would indicate to Southeast Asian partners more broadly that China had largely succeeded in completing its South China Sea military expansion unopposed.

If China begins to station forces in the South China Sea and seizes and build on new territory, the regional reverberations will not be confined to the military domain. Southeast Asian states will conclude that China's efforts to carve out a sphere of influence in the South China Sea have succeeded. They will be more inclined to join Chinese-backed alternative regional institutions like the RCEP trade deal, accept Chinese investment, and seek to curry political favor with Beijing. U.S. allies will worry whether American security guarantees remain credible. As China's military and strategic position strengthens in the South China Sea, the United States' broader role is likely to be increasingly attenuated. Moreover, once China has filled this power vacuum, we should have no illusions that it will open again.

Policy Recommendations

If the Trump Administration wants to avert disengagement from the South China Sea, and reduce the risk of crises and conflict there are several steps it can take.

Conduct a thorough South China Sea Policy Review. The National Security Council should coordinate an interagency review of U.S. policy towards the South China Sea, with a keen eye to

the role that it plays in U.S-China relations and in the regional balance of power. The review should culminate with the administration defining U.S. interests in the South China Sea, stating its concrete objectives for U.S. foreign policy, and articulating a new declaratory policy. During the Obama Administration, China's island building transformed the nature of these disputes rapidly, but U.S. declaratory policy did not keep pace. The Trump Administration must send clear signals to partners and challengers alike if it hopes to stabilize the situation. The Administration should seek to complete this review before Secretary Mattis travels to Singapore for the Shangri-la Dialogues in June (see below).

Use Asia Trips to Articulate Clear Policy. Vice President Pence will travel to Asia from April 15-

25. This trip includes stops in Australia and Indonesia, where officials will be eager to hear a clear articulation of the Trump Administration's South China Sea policy. The administration will surely not have crafted a comprehensive approach by this time, but the Vice President would be wise to be ready with concrete policy statements. He should also use his Asia tour to solicit the views of regional actors on South China Sea policy so he can communicate these to the White House as it reviews U.S. policy. Other high-level official visitors should do the same. Furthermore, the U.S.- China Commission should work with Congress to ensure that the Vice President's words are met with deed from the Administration.

Make Messaging More than Military. The Administration should seek to balance its Asia policy to avoid the emerging perception that it is exclusively focused on unilateral military tools. This is particularly important when it comes to partners like Vietnam. When Secretary Mattis speaks at Shangri-la, for example, he should articulate a holistic vision for the United States in Southeast Asia. Partners will want to know whether the United States intends to remain committed to ASEAN institutions, to continue its security assistance and maritime domain awareness programs, and to facilitate multilateral exercise among regional states. Even when engaging on defense issues, the Administration must demonstrate that it is committed to peacetime security cooperation to maintain stability in Asia—not just that it is prepared to use force unilaterally in a conflict.

Craft a Quiet Approach to Duterte. Much of existing U.S. policy towards the South China Sea runs through the Philippines, yet Duterte remains a wild card, capable of courting Beijing or escalation over island disputes on any given day. If the United States were to be drawn into a military contingency in the South China Sea, it would likely be on behalf of the Philippines. High-profile cooperation with Duterte is problematic due to his ongoing extrajudicial killing campaign, but the administration must coordinate with Philippine counterparts to ensure that it is minimizing the risk of crisis instability or conflict, particularly over Scarborough Shoal. The Philippines currently holds the ASEAN Chairmanship, so looking for multilateral cooperation through ASEAN institutions may make for an appropriate initial approach.

Support Code of Conduct Framework Negotiations. China and ASEAN states are currently negotiating a framework document for a South China Sea Code of Conduct, which they hope to complete by mid-2017. The Code of Conduct has theoretically been in the works for 15 years, China has consistently impeded its progress, and there is little reason to believe these negotiations will be much different. Nonetheless, it is vital that senior Trump Administration officials support ASEAN states during this process. Without U.S. support, regional states may be forced to bend to China; with it, they may be able to stand their ground on shared principles. If the United States ignores this process, ASEAN states will be left with the impression that Washington does not understand or support their South China Sea objectives or is unwilling to help represent them to China.

Appoint a Prominent ASEAN Ambassador. If it seeks to correct the impression that it is uninterested in institutions and diplomacy in Asia, the Trump Administration should be thoughtful in nominating its ASEAN Ambassador. The post was created at the beginning of the Obama Administration, and the decision to appoint a respected Asia expert with strong ties to the White House would signal the Trump team's commitment to continued engagement.

Request Regular Reporting on South China Sea Operations. U.S. military operations are just one component of an overall strategy, but they must be consistent if they are to send messages of continued U.S. presence. It is inadvisable for Freedom of Navigation or other operations to be conducted with public fanfare, as this creates the mistaken impression that routine U.S. presence is intended to or capable of producing some immediate change in the status quo. The purpose of conducting regular operations is to allow Washington to demonstrate consistently that it does not recognize China's bases as legal islands, and that it intends to continue to operate in international waters and airspace. FONOPs, reconnaissance, and presence operations should therefore be conducted regularly and quietly. Congress should request a quarterly, classified report on South China Sea operations in lieu of public statements so it can be sure that the defense components of the administration's strategy are on track.

As the Trump Administration crafts its early policy, the South China Sea is an essential, if unglamorous national security issue. Stabilizing the adverse shift in the balance of power will require significant diplomatic and economic engagement with Southeast Asia, as well as military presence, and demands that the administration engage claimant states and China simultaneously. This is not a policy area on which the White House is likely to score big, visible wins. But failure to remain in the game will have grave consequences for U.S. foreign policy and the balance of power in Asia and these will not be.

**OPENING STATEMENT OF JACQUELINE N. DEAL, PH.D.
PRESIDENT AND CEO, LONG TERM STRATEGY GROUP**

HEARING CO-CHAIR GOODWIN: Thank you, Doctor.

Dr. Deal.

DR. DEAL: Thank you, Senator Goodwin, Vice Chairman Shea, other members of the Commission and the Commission staff.

As a consumer of your reports and as someone with deep respect for your work and your mission, I'm honored to be here. I'm most looking forward to hearing from you, your questions, so I'm going to cut to the chase, but you asked me to address U.S. interests, the character of a potential conflict, and U.S. options for deterrence or deescalation of a conflict in one of these maritime hotspot regions.

My three-part bottom line is, first, with regard to deterrence, unfortunately, for reasons partly outside our control today, I think general deterrence in these areas is more and more likely to break down. General deterrence is political science speak for our ability to keep the Chinese from deciding to really escalate and use force to seize a disputed territory.

In the last decade, Chinese defense planners have become emboldened by their own assessment of their country's growing power and by their sense that the United States is unwilling or unable to see the PRC as an adversary, and in my written remarks, you'll see the citations, my source material for that statement.

This has created space for Beijing to use incremental strategies to try to advance the PRC's territorial goals in the East China Sea, the South China Sea, and the Taiwan Strait areas. So far these incremental approaches have been most successful in the South China Sea area. I agree with the participants in the previous panel. They've been more successful there than in either the East China Sea or the Taiwan Strait areas.

But developments in the broader security environments surrounding these hotspots are encouraging a dangerous combination of Chinese confidence and insecurity. As I mentioned, Chinese strategies already assess that the balance of what they call Comprehensive National Power has been shifting in the PRC's favor, but the period of rapid Chinese economic growth has now given way to a potentially prolonged slowdown, and that increases the chances of domestic unrest within China, which PRC elites fear could be exploited by external rivals.

Therefore, we should be concerned that the PRC grows impatient with its incremental approaches and facing internal political pressure may over time feel both more capable of executing a coup de main or a sudden strike, military strike to seize territory and more compelled to execute such a strike in one or more of these hotspot areas.

My second point is that this creates a situation that is likely more dangerous than the Chinese estimate and maybe also more dangerous than we estimate. Chinese defense scholars have written for at least the last 15 years that 21st century island wars will be, quote, "global." But they also seem to believe that such conflicts can be limited and that they can use active or operational deterrence measures, including both displays and if necessary the application of force to keep the United States out or to contain its involvement.

The Chinese military can make the first point true. They could make an island more global by striking at U.S. ports or logistic nodes or other targets from the mainland, but I think their second judgment that such a war would remain limited is likely wrong. Technological and

political factors have increased the likelihood that PRC aggression would trigger rapid escalation and prolonged warfare between the United States and the PRC.

My third point is that while the United States can and should think about options for strengthening our general deterrence, which I said is unfortunately I think weakening over time, we have limited influence over Chinese CNP calculations and we have even maybe even more limited influence over domestic developments within the PRC that could provoke Chinese Communist Party elites to elect to strike.

Accordingly I think we have to also think about how to restore immediate deterrence, and again that's political science speak for in a particular contingency, how do you confront the adversary in a way that makes him decline from using force?

So in a crisis, how could we restore immediate deterrence? Chinese military writings offer guidance on how PRC defense experts think about deterrence that inform my recommendations on this subject, and the main one is that the United States has to be prepared to execute unusual military actions, unanticipated military actions that disrupt Chinese plans upon warning that a Chinese attack may be imminent.

Maybe hopefully we'll have a chance to discuss how we would achieve such warning, but I think I have views that differ from the previous panel on that.

So that's my bottom line up-front. Let me try to back up some of those points with a review of U.S. interests at stake in the disputed areas, the character of a potential conflict, and of U.S. involvement in such a conflict.

With regard to our interests, we often hear the question would we fight World War III over a bunch of rocks and reefs? While that's admirably vivid, it's not the right question regarding our interests in the East and South China seas, much less the Taiwan Strait, of course.

Our interests are much more far-reaching. Unfortunately, we have a hard time stating them in a way that's not abstract so they're harder to grasp. But our main interests involve our alliance commitments and our interests in principles such as Freedom of Navigation, the peaceful settlement of international disputes, and free trade.

Our alliance commitments date back to the post-World War II period when we sought to set up a defense perimeter in Asia with forward deployed American military forces to contain communism, protect liberal democracies, ensure free trade, all of which we thought would reduce the chances of another world war started by an ideologically driven expansionist regime.

Today, these commitments still matter. They provide the basis for mature diplomatic interchange while preventing any ambitious would-be hegemon from destabilizing the region. And as you know, peace and free trade in East and Southeast Asia have in turn enabled tremendous growth and rising prosperity.

If the PRC prevailed in a dispute in one of these hotspot areas through a combination of threats and uses of force by law enforcement, paramilitary and/or military actors, it would then impose control over the relevant maritime area and turn it into a de facto PRC sovereign territory.

As this committee is well aware, Beijing's long-held view compromises freedom of navigation by giving the Chinese government the ability to regulate maritime traffic in waters that are now free and open but to which the PRC believes it has historic rights. And it's important also to note that if the PRC prevailed in a hotspot conflict, the post-conflict international environment would differ significantly from today's. Tensions would rise globally

as the world devolved into blocs and Beijing would acquire leverage over the decisions of the defeated state and of others who feared suffering its fate.

So let me just turn quickly to the character of a potential conflict. My argument is that thanks to China's perceived CNP buildup, the PRC will act more aggressively if confronted either with a vacuum that could create an opportunity or with setbacks that Chinese elites believe they have to reverse. Both conditions could trigger escalation from the current state of tension, peacetime tension, that we see today.

You heard in the previous panel about Chinese options for trying to deter or physically interfere with American intervention in a contingency so I'm not going to address that, but it's obviously a very important subject.

What I want to say is those options are incredibly dangerous and escalatory in ways that I don't think the Chinese planners anticipate.

I also want to get to this issue of how we could restore deterrence in a crisis because based on PLA writings on island warfare, I think that we do have some options if we have warning. These writings all stress that island campaigns require a meticulous lengthy planning, which creates an opportunity for an adversary to interfere. Specifically they say 21st century island warfare operations will be complex, joint and necessitate extensive advanced preparation to execute.

So I think they're talking in terms of weeks to months, if not years, and there's historical precedent for year-long planning by China for surprise strikes in the region.

Because of the requirement for substantial forethought, planning, prior arrangements for logistics and sustainment for island warfare, PLA sources emphasize that the threat of a powerful enemy intervening--and I think by powerful enemy, they're talking about us--that might deter the PRC from attacking a weaker island. And you can find this again in their writings, which I cite in my submitted testimony.

So the implication is that if we had warning, we could disrupt a planned operation through, for instance, unexpected visits to or rotations through non-typical access points, including civilian airfields and ports, snap exercises in the region, and/or unexpected displays of new U.S. or allied capabilities.

Such capacity revelation in turn could be accomplished through a leak, a test, or the use of a new system in an observable exercise, and here I think we could look at what the PLA has been doing for some ideas on the information campaign around some of the capabilities we might want to reveal at key moments.

So let me conclude by saying the potential for restoring immediate deterrence thus rests on our ability to gain warning of a PLA offensive, either independently or with help from local allies and partners, and to act on that warning in ways that the PRC does not expect.

This in turn would seem to require access to new facilities in the region, subject to the permission of regional allies and partners, and it could also require the possession of capabilities that the U.S. has concealed but can reveal at a critical moment.

To the degree that that doesn't seem probable to you, I think it is feasible and within our grasp. I think we need to prepare and we probably should prepare anyway for a potential protracted conflict with the PRC. There's some obvious preparations that we need to make in terms of our capabilities, but I think we also need to take steps at home for mobilization planning and measures to offset the disruption of our trade with the PRC. And that's just among other

steps.

But thank you again.

**PREPARED STATEMENT OF JACQUELINE N. DEAL, PH.D.
PRESIDENT AND CEO, LONG TERM STRATEGY GROUP**

Hearing on “Hotspots along China's Maritime Periphery”

**Testimony before
The U.S.-China Economic and Security Review Commission**

April 13, 2017

Bottom Line Up Front

- 1) The People's Republic of China (PRC) has been using incremental strategies to reach its goals in the East China Sea, South China Sea, and Taiwan Strait areas. These approaches have been more successful in the South China Sea than in the East China Sea or Taiwan Strait areas. At the same time, developments in the environment surrounding these hotspots are encouraging a dangerous combination of Chinese confidence and insecurity. Chinese strategists believe that the overall balance in Comprehensive National Power (CNP) has been shifting in favor of the PRC, but the PRC's economic growth has slowed, increasing the chances of domestic unrest, which Chinese elites fear could be exploited by external rivals. We should be concerned, therefore, that the PRC, impatient with incremental approaches and facing internal political pressure, may over time feel both more capable of executing a *coup de main* and more compelled to execute a *coup de main* in a maritime hotspot area. In other words, US general deterrence (i.e., deterring an adversary in general from considering the use of force as an option) may fail.
- 2) Chinese defense scholars have written that 21st century “island wars” will be “global.” They believe that such conflicts can nonetheless be limited, and that they can use active or operational deterrence measures – including displays and, if necessary, exercises of force – to keep the United States out or to contain its involvement. While the People's Liberation Army (PLA) could make a maritime hotspot conflict global through attacks on US logistics nodes, sustainment forces, ports or other facilities far from the mainland, the notion that such a war could be kept limited is likely wrong. Technological and political factors have increased the likelihood that PRC aggression would trigger rapid escalation and prolonged warfare between the United States and the PRC. Modern defense technologies that allow for precision strikes in multiple domains also allow for attacks to penetrate more deeply into an adversary's society and for escalation to proceed more quickly and to higher levels than has been the case in recent decades. For reasons of interest bound up with identity, moreover, the United States is unlikely to accede to an attempted Chinese *fait accompli*.
- 3) While the United States can and should think about options to strengthen our general deterrence capabilities, we have limited influence over Chinese CNP calculations and domestic developments within the PRC that could lead to a breakdown of general deterrence. Accordingly, we must also think about how to restore immediate deterrence (i.e., deterring an adversary from using force in a particular confrontation) in a crisis. Chinese military writings offer guidance on how PRC defense experts think about deterrence that inform my recommendations on pp. 11-14

below – including the idea that the United States must be prepared to execute unusual military actions that disrupt Chinese plans upon warning that a PRC attack may be imminent.

Introduction

Thank you to the members of the US-China Economic & Security Review Commission for the opportunity to testify once again on some of the most consequential defense policy questions facing the United States:

- *How would hotspot conflicts in the East China Sea (Senkakus), South China Sea, and Taiwan Strait likely affect US interests or draw the United States into a contingency?*
- *What would US involvement in a hotspot contingency look like?*
- *What options could the US Department of Defense explore to de-escalate or deter a conflict that do not degrade the US ability to respond if necessary? Discuss a range of potential operational responses for each hotspot, and identify any constraints that US allies, partners, or friends within the region may place on US operations.*

The East and South China Sea and Taiwan Strait “hotspots” matter not only because of the increasing potential for escalation from a crisis to war but also because of the competitive dynamics surrounding them in peacetime. These dynamics affect our relations with key allies and partners in the Indo-Pacific region, as well as with the People’s Republic of China (PRC). My testimony will address the three sets of questions posed by the Commission (in the above bullet points), concerning the interests at stake in the East and South China Seas and the Taiwan Strait, the character of a potential contingency in one of those areas and US involvement in it, and options for the United States to deter or de-escalate a crisis. I will try to incorporate not only a US perspective but also Chinese and regional perspectives in addressing the first two questions. For the third question, because my analysis indicates the increasing likelihood of a failure of general deterrence (i.e., deterring an adversary in general from considering the use of force as an option) for reasons outside US control, I conclude with suggestions for restoring immediate deterrence (i.e., deterring an adversary from using force in a particular confrontation) in a crisis. These suggestions are based on insights drawn from a close study of Chinese military texts such as *Studies of Island Operations* (Academy of Military Science, 2002), *The Science of Campaigns* (National Defense University, 2006 edition), and *The Science of Military Strategy* (Academy of Military Science, 2013 edition).

Interests at Stake

Would we fight World War III over “a bunch of rocks or reefs?” That is the admirably vivid question that is often posed regarding the US interest in the East and South China Seas. It is not the right question, however. The American interests at stake are more far-reaching but abstract, which unfortunately makes them harder to grasp. They include our interest in alliance commitments and in principles such as freedom of navigation, the peaceful settlement of international disputes, and free trade. It is important to note that these interests differ from those of the PRC and even of key allies in the region such as Japan, for which more direct concerns of national survival are implicated.

US Interests

The US alliance commitments that could be activated by maritime hotspot conflicts in East or Southeast Asia are strongest in the East China Sea. The United States has repeatedly clarified that the Senkaku islands are covered by its mutual security treaty with Japan. With regard to the Taiwan Strait, the United States remains obligated by the 1979 Taiwan Relations Act to contribute to the maintenance of Taiwan's capacity for self-defense. In the South China Sea, the Philippines case is most ambiguous insofar as we have not clarified whether our treaty commitment to the defense of that country applies to disputed offshore islands, though it has been suggested that the Sierra Madre is covered by virtue of its being a commissioned ship. Domestic political developments in the Philippines have also created uncertainty about the future trajectory of its relations with the United States.

Those who question how such alliance commitments serve US interests may wish to recall that the commitments were established in the period following the conclusion of the Second World War, as the Cold War was beginning. The goal of US strategy was to set up a defense perimeter in Asia with forward deployed American military forces, to contain the spread of communism, protect liberal democracies, and ensure free trade, all of which was thought to reduce the chances of another world war started by an ideologically driven expansionist regime. By their original logic, then, US alliance commitments matter insofar as they act to provide the basis for mature diplomatic interchange, while preventing any ambitious would-be hegemon from destabilizing the region. Peace and commerce in East and Southeast Asia have in turn enabled tremendous growth and rising prosperity. Our commitments in the region also matter because of the potential effects in other theaters of our retreating from them there; successful Chinese aggression could be interpreted as a license for adventurism by authoritarian, coercive regimes elsewhere in the world.

For seven decades the United States has undertaken to defend not only alliance commitments but also a set of principles vital to preserving peace. Hotspot conflicts in the East China Sea, South China Sea, or Taiwan Strait would threaten these principles, including freedom of navigation, the settlement of international disputes by legal means, and free trade. Beijing could try to prevail in one of these disputes through a combination of threats and uses of force by PRC law enforcement, paramilitary, and/or military actors. If successful, Beijing would then impose control over the relevant maritime area, and if this were to go unchallenged, the area could eventually be considered de facto PRC territory. As this committee is well aware, Beijing's long-held view compromises freedom of navigation by giving the Chinese government the ability to regulate maritime traffic in waters that are now free and open, but to which the PRC believes it has "historic rights."¹ By definition the PRC would have achieved this position by means other than international arbitration, thus also compromising the principle of peaceful dispute resolution.

Freedom of navigation and recourse to international law to settle disputes underpin free trade, another institution that the United States has promoted since 1945. The PRC has not conformed to its obligations as a World Trade Organization member and clearly sees free trade as an opportunity to be exploited rather than an institution to be protected.² Here again, Beijing's alternative perspective threatens the operation of

¹ The "historic rights" rubric has been employed by Chinese legal theorists, or legal warfare ("lawfare") specialists, since 1998 in an attempt to justify and legitimize the PRC's longstanding perspective – see Zou Keyuan, "Historic Rights in International Law and in China's Practice," *Ocean Development and International Law*, 32:149-168, 2001. For more on the historical roots of the PRC's perspective, see Hungdah Chiu, "China and the Law of the Sea Conference," *Occasional Papers/Reprint Series in Contemporary Asian Studies*, 4: 1981 (41).

² Research and analysis by the US-China Economic & Security Review Commission itself supports this claim, as does the record of Chinese leadership statements dating back to the early 1980s articulating a PRC strategy for exploiting access to international resources and markets without opening up domestically.

a virtuous cycle over the last seven decades, whereby commerce has facilitated increasing prosperity, which in turn has contributed – at least until now – to the maintenance of peace.

Given the high stakes on both sides, if the PRC prevailed in a hotspot conflict, the post-conflict international environment would differ significantly from today's. Tensions would rise globally as the world devolved into blocs, and Beijing would acquire leverage over the decisions of the defeated state and of others who feared suffering its fate.

Note what is and is not included in the list of US principles at stake. While the principle of free trade is a primary US interest, trade *per se* is not. The gross domestic product (GDP) of the United States is largely (approximately 75%) based on our domestic economy; of the roughly 25% of GDP that comes from trade, Asia trade only accounts for about a quarter of that (i.e., US trade with the region accounts for only 1/16th – 0.0625 – of our GDP). While an abrupt cessation of that trade would be globally and regionally disruptive, the United States could endure it without suffering a major reduction in our standard of living. As we will see below, the same is not true of Japan.

PRC Interests

Longstanding US interests in East and Southeast Asia are now under pressure due to the alternative perspective and behavior of the PRC. Over the several decades of its rise, Beijing has sought to increase its economic, political, and military influence in order to pursue a revisionist agenda informed by its particular history and the character of the PRC regime. We often hear about the \$5 trillion in trade that passes through the South China Sea,³ the sizeable oil and gas deposits thought to lie under both the East and the South China Seas, and the importance of local fish as a protein source. All of these factor in to Chinese interests but are subordinate to the PRC's security concerns.

The PRC sees the East China Sea, Taiwan Strait, and South China Sea as forming a continuous, contested body of water critical to Chinese security. Historically, attacks from the sea have struck vital military facilities, population centers, and economic interests on the Chinese coast, while seaborne invasions have repeatedly penetrated through Chinese rivers into the heart of the country. The 2013 edition of the Academy of Military Science's *Science of Military Strategy* cites Mao on this point: "From 1840 to the present day – more than 100 years – the Opium War, the Sino-Japanese War of 1894-95, and the Eight-Power Allied Forces War of Invasion of China [of 1900] all made their way in from the sea."⁴ The culmination of the trend was the Japanese assault of 1937, during which the Japanese Third Fleet was based in Shanghai, from which Japanese troops moved up the Yangtze river, forcing the Nationalists to retreat and move their capital further and further inland.

From Beijing's perspective, the United States today is essentially threatening by virtue of:

- its size and military power,

³ This same number has been cited for more than five years (sometimes as \$5.3 trillion) – a period during which the value of global trade has actually fluctuated considerably – raising questions about its accuracy today. See Adm. Willard's 2011 statement for the earliest usage I can find, "Press Briefing by NSA for Strategic Communications Ben Rhodes and Admiral Robert Willard, U.S. Pacific Command," Office of the Press Secretary, 13 November 2011, available at: <https://obamawhitehouse.archives.gov/the-press-office/2011/11/13/press-briefing-nsa-strategic-communications-ben-rhodes-and-admiral-rober>.

⁴ Shou Xiaosong et al., eds., *战略学* [*Science of Military Strategy*], (Beijing: Military Science Press, 2013), p. 209.

- the liberal democratic character of its political system,⁵
- its position on the PRC's flank, and
- its record of defeating the Soviet Union, along with subsequent regime change efforts.

Chinese defense white papers published bi-annually since 1998 consistently mention these factors more or less explicitly – key terms include “hegemonism,” “power politics,” “cold war mentality,” “alliances” or “blocs,” and “interventionism,” “interference,” and variants thereof. In complaints about our support for Taiwan, the United States is named outright, and in other contexts, we are referred to simply as a “great power,” “some power,” or a “certain power.” These other contexts include expressions of concern about our close relations with other states in the region, our advanced military capabilities and deployment patterns, and our purported influence over critical geographic areas and resources.⁶

Chinese Communist Party (CCP) elites recognize the contributions the US role in facilitating the PRC's rise through the decades of regional influence mentioned above, but also through direct investment, technology transfer, trade, and even assistance to the People's Liberation Army (PLA) until the 1989 Tian'anmen Square crackdown.⁷ More generally, they appreciate that the PRC's success up to this point would not have been possible without the US military's guaranteeing peace and protecting commercial flows in the Asia-Pacific region. But Chinese defense intellectuals have also argued that the US role in securing the international order turned threatening at some point. For instance, Lt. Gen. Liu Yazhou of the PLA Air Force, who is also a princeling with a distinguished pedigree, homed in on the 2003 Iraq War in a 2005 interview:

When a nation grows strong enough, it practices hegemony. The sole purpose of power is to pursue even greater power. The last cornerstone of the 20th century international system had been the global collective security mechanism and international law as represented by the United Nations, an arrangement mainly initiated and established by the United States. The U[nited] S[tates] crushed this cornerstone through the war. It was the first war of the United States in ‘the New Empire Order’ and had great historical significance.⁸

⁵ While we do not intend it to be threatening, and while it is for the most part not organized by the US government, Americans' natural promotion of human rights, free speech, and freedom of religion strikes the CCP as state-sponsored meddling, or an effort to “Westernize and divide” or “Color Revolution”-ize the PRC, as discussed in the leaked party *Document No. 9* (translated into English at: <http://www.chinafile.com/document-9-chinafile-translation>):

... the contest between infiltration and anti-infiltration efforts in the ideological sphere is as severe as ever, and so long as we persist in CCP leadership and socialism with Chinese characteristics, the position of Western anti-China forces to pressure for urgent reform won't change, and they'll continue to point the spearhead of Westernizing, splitting, and ‘Color Revolutions’ at China.

⁶ The concern about US or great-power dominance over critical geographic areas and resources is echoed in seminal Chinese military texts such as the 2013 edition of *战略学* [*Science of Military Strategy*], p. 80. The focus on control over choke points in this connection, along with the PRC's interest in disputed maritime territory and Taiwan, has generated a voluminous PLA literature on trends in island warfare. For instance, PLA Gen. (Ret.) Zhu Wenquan's three-volume study of island warfare begins with the assertion that “...85 countries in the world have disputes over more than 410 islands (peninsulas and reefs) in 83 places... [Thus,] island warfare is in progress.” Zhu Wenquan, *岛屿战争* [*On Island Warfare*], (Beijing: Military Science Press, 2014), p. 3.

⁷ For instance, on economic ties, see Julian Gewirtz, *Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China* (Cambridge, MA: Harvard UP, 2017); on security ties, in the context of the war against the Soviets in Afghanistan, see declassified National Security Decision Directive No. 11, 22 September 1981: <https://fas.org/irp/offdocs/nsdd/nsdd-11.pdf>; on comprehensive US assistance, in the same context, see declassified National Security Decision Directive No. 140, 21 April 1984: <https://fas.org/irp/offdocs/nsdd/nsdd-140.pdf>.

⁸ Dai Xu, “Interview with Lieutenant General Liu Yazhou of the Air Force of the People's Liberation Army,” *Heartland*:

Other Chinese defense intellectuals have alternatively cited the end of the Cold War, the Taiwan Strait Crisis of 1995-96, the Belgrade embassy bombing of 1999, or the most recent Gulf War as the true turning point.⁹ A review of the history of Chinese anti-imperialist doctrine, together with the origins and content of Chinese nationalism,¹⁰ over the past century-and-a-half suggests that elites in Beijing have chafed at the role of foreign powers in the Asia-Pacific for a very long time. What they have lacked until recently is the ability to act on this sentiment.

Over the past decade, Chinese strategists assess that the PRC's capabilities have matured considerably. A calculation of Comprehensive National Power (综合国力 or CNP) published by the Chinese Academy of Social Sciences indicated that the PRC surpassed Japan in CNP as early as 2004,¹¹ and the 2013 edition of the *Science of Military Strategy* notes that the PRC became the "second-largest economy in the world" in 2010, concluding, "With the rapid escalation of its comprehensive national power, China's ability to create a secure environment has continued to increase."¹² We can speculate that, as the United States is viewed as intrinsically threatening, once Chinese strategists calculate that the PRC is strong enough to manage its own sphere of influence, they will prefer to see us leave; or perhaps more precisely, the PRC will seek to supplant the United States as the arbiter of regional economic and security, under rules devised and enforced by Beijing.

The PRC's interests thus have direct, perilous implications. Whereas Americans favor multilateral legal frameworks for resolving issues, the PRC prefers to deal bilaterally, so that it can exert superior power against smaller actors. CCP elites will not feel secure so long as the United States remains the guarantor of regional security and smaller countries in East and Southeast Asia do not defer to the PRC's maritime claims.

Japan's Interests

For Japan, our closest and most powerful ally in these maritime hotspot disputes, the interests at stake are arguably at least as grave as the PRC's. Japan is an island state with historical experience of maritime strangulation that imperiled its national survival. Chinese adventurism vis-à-vis the Senkakus would trigger memories of sequential World War II island campaigns leading to Japan's defeat. Even today, while the United States relies relatively little on trade, and even less on trade with Asia, trade constitutes almost 40% of Japan's GDP, of which trade within Asia constitutes the largest share. It would also be easy for Americans to underestimate the symbolic importance of the Senkakus, as the line about dying over a bunch of rocks encourages us to do. The Japanese government and people feel very strongly about

Eurasian Review of Geopolitics, 2005 (No. 1), 5-32.

⁹ Alexander Nemets, "The Russian Origins of China's Revolution in Military Affairs," *China Brief*, Jamestown Foundation, 24 June 2004; Zhang Wannian et al., *张万年传 [Biography of Zhang Wannian]*, (Beijing: Liberation Army Publishing House, 2011), pp. 414-421; Chang Xianqi et al., *Military Astronautics, 2nd Ed.*, (Beijing: National Defense Industries Press, 2005), p. 249, as cited in Dean Cheng, "Chinese Lessons from the Gulf War," in Scobell, Lai, and Kamphausen, eds., *Chinese Lessons from Other People's Wars* (Carlisle, PA: Strategic Studies Institute, 2011), 153-199, p. 164; Dingding Chen and Jianwei Wang, "Lying Low No More?: China's New Thinking on the *Tao Guang Yang Hui* Strategy," *China: An International Journal*, vol. 9, no. 2 (September 2011), 195-216.

¹⁰ Jacqueline Newmyer Deal, "Tracing China's Long Game Plan," (review of *Wealth and Power: China's Long March to the Twenty-First Century* by Orville Schell and John Delury) *National Interest*, No. 127 (Sept./Oct. 2013), pp. 77-88; Jacqueline Newmyer Deal, "China's Nationalist Heritage," *The National Interest*, No. 123 (Jan./Feb. 2013), pp. 44-53.

¹¹ Zhimin Chen, "China's Power from a Chinese Perspective (II)," in Jae Ho Chung, ed., *Assessing China's Power* (London: Palgrave Macmillan, 2015), 271-289, p. 276.

¹² *战略学 [Science of Military Strategy]*, 2013, p. 78.

their territorial integrity. This sensitivity is likely heightened by the fact that Chinese sources have been suggesting in quasi-official forums that the PRC's claims extend beyond the Senkakus to larger islands in the Ryukyus, to include Okinawa. From Japan's point of view, then, losing the Senkakus could trigger a catastrophic domino effect.

It seems clear that if the United States does not do what is necessary to reassure Tokyo, Japan may decide to act on its own. The PRC would likely view a more isolated Japan as vulnerable. Uncoordinated Japanese action could also complicate US efforts to work with both Japan and the Republic of Korea, or unnecessarily antagonize Russia. Most fundamentally, the US position as a central node in a web of regional alliances makes it easier for like-minded nations to cooperate and apply collective strength against de-stabilizing influences.

The Character of a Potential Contingency and US Involvement

If a maritime hotspot dispute in East or Southeast Asia were to escalate, what would be the character of the resulting contingency, and how might the United States respond? For various reasons, the PRC's opponents in these disputes do not have an interest in escalating,¹³ but all fear that Beijing may decide that it has such an interest. My argument is that, thanks to its perceived CNP buildup, the PRC will act more aggressively if confronted either with a vacuum that creates an opportunity or with setbacks that CCP elites believe they must reverse. Both conditions could trigger escalation. We can therefore divide the PRC's plausible behavior into two categories. First, if neither condition applies, the PRC could continue to execute the gradual, "silkworm" (蚕食) strategy of "nibbling away" at territory that it has applied in both the East and the South China Seas over the last decade.¹⁴ Second, in the face of either a perceived opportunity or serious challenges, the PRC could try to execute an overt, military *coup de main* to achieve a *fait accompli*. Given the proximity of forces from different sides operating in the hotspot areas, it is also possible that an unintended set of circumstances (e.g., a collision) could lead to escalation. At this point, however, such a contingency has become virtually foreseeable. Depending on whether either of the above conditions applied, an accident could either be resolved quickly or trigger the PRC to execute a pre-planned set of options (described below) for achieving a *fait accompli*.

Prospects for the Silkworm Strategy vs. a *Coup de Main*

The logic of, and relevance of the United States to, the silkworm strategy is worth addressing before turning to the potential US role in a contingency triggered by more aggressive Chinese action. My source is again the 2013 edition of the *Science of Military Strategy*, a publication of the Academy of Military Science in Beijing that is thought to be highly authoritative. According to the text, the gradualist approach has been enabled by the United States' inability to identify the PRC clearly as an opponent, which creates

¹³ Taiwan is a liberal democracy that hopes to resolve its differences with the mainland peacefully; Japan possesses administrative control over the Senkakus and only fears being pressured or forced to cede it; the PRC's rivals in the South China Sea are smaller states that have doubts about whether the United States would come to their aid in the event of an armed clash with Beijing.

¹⁴ Most recent Chinese sources impute this strategy to rival claimants – e.g., in the South China Sea – as a pretext for the actions that the PRC has taken to advance its claims. Alastair Iain Johnston includes the silkworm approach in his typology of the seven strategies employed by Chinese historical rulers across China's dynastic period, describing it as "preventive colonization, or the gradual expansion of a state's security perimeter." (Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History*, [Princeton, NJ: Princeton U P, 1998], p. 116, footnote 15.)

an opening for Chinese assertiveness short of the threshold of triggering a war.¹⁵ For as long as the United States is militarily dominant, the PRC has an incentive to try to keep Washington from perceiving it as an enemy. This can be accomplished by continuing to appear to be a source of economic opportunity and a partner in addressing global challenges such as terrorism and climate change.¹⁶ A corollary is that even while painting itself as the United States' partner, the PRC should also use threats to encourage US inaction in maritime hotspot disputes in East and Southeast Asia. The Chinese term for such behavior is "effective control" ("有效控制"), a form of active or operational deterrence that includes manipulating risk – e.g., by revealing capabilities designed to scare us – in peacetime, a crisis, or war. Through signaling escalation dominance and other efforts to manipulate the adversary's psychology, to include uses of force, Chinese strategists believe that they can induce the opponent to give up. With respect to these maritime hotspot disputes, moreover, the goal of effective control in peacetime is to induce rival claimants to "take into account China's will, security, and interests in their formulation of policies ... and activities."¹⁷ By achieving this kind of deference, the PRC can avoid having to impose its will through combat.

As the PRC's power grows, if it cannot succeed in securing disputed territory by nibbling away while implementing effective control in peacetime, it may elect to try a *coup de main*. The overt aggression that we most often consider vis-à-vis Taiwan may also apply to the East and South China Sea disputes. The latter theater offers some recent historical examples of Chinese island seizures – witness the PRC's 1974 Paracels and 1988 Spratlys battles against Vietnam, and the 1994 Mischief Reef occupation at the expense of the Philippines. These past cases could all have been motivated by a Chinese perception of a vacuum created by American retreat or relative indifference – i.e., by a shift in the balance of power favorable to the PRC. (In 1974, the United States had just left Vietnam; 1988 was a high point of US-PRC cooperation against the Soviet Union;¹⁸ and in 1994 the United States had recently been evicted from its bases in the Philippines.) It is not only confidence or opportunism that could motivate Chinese aggression. A compulsion to reverse incipient negative developments at home and abroad seem to underlie other historical Chinese uses of force – including the ambush of US forces in Korea in late 1950, the attack on Soviet forces at Zhenbao island in 1969, and the invasion of Vietnam in 1979.¹⁹ In other words, the perception of a shift in trends, whether favorable or unfavorable, may drive the Chinese to act at a time when we do not expect it.

What does this suggest about the likelihood of a Chinese *coup de main* in each maritime hotspot area? Beijing may assess that the gradualist approach has been working to date in the South China Sea – and has afforded the United States what Chinese strategists might consider to be a face-saving way to avoid intervening to repulse Chinese advances. The jury is still out on the efficacy of the silkworm strategy in the East China Sea, however. Tokyo clearly feels pressure from the accretion of Chinese forces seeking to challenge its administrative control of the Senkakus, but there are signs that this pressure is generating countervailing responses – including more Japanese "gray zone" capacity, increased cooperation with the

¹⁵ 战略学 [Science of Military Strategy], 2013, p. 72.

¹⁶ Ibid., p. 78.

¹⁷ 战略学 [Science of Military Strategy], 2013, pp. 110-117.

¹⁸ I.e., in that particular Cold War context, Beijing may have counted on the United States' prioritizing cooperation against the Soviets over punishing Chinese aggression against Vietnam. Hui Wang, "U.S.-China: Bonds and Tensions," in Shuxun Chen and Charles Wolf, Jr., eds., *China, the United States, and the Global Economy*, (Santa Monica, CA: RAND, 2001), 257-288, p. 262.

¹⁹ Thomas J. Christensen, "Windows and War: Trend Analysis and Beijing's Use of Force," in Alastair Iain Johnston and Robert S. Ross, eds., *New Directions in the Study of Chinese Foreign Policy*, (Stanford, CA: Stanford U P, 2006) 50-85, p. 51.

United States in this area, and the potential Japanese acquisition of new precision strike capabilities. Whether and to what degree Beijing perceives these developments as a setback is not yet clear. The Taiwan case may be the most disappointing for Beijing. The candidate of the incumbent, mainland-leaning KMT party lost to the independence-leaning DPP candidate in the 2016 presidential election. Perhaps more troubling for Chinese strategists, insofar as they hoped to gradually “re-integrate” Taiwan through closer economic and social ties, the effort seems to have backfired. Public opinion polls show that increased cross-Strait contact in recent years has either encouraged or at least not prevented the cementing of a separate Taiwanese identity. Residents of the island feel more and more Taiwanese and identify less and less with the PRC.²⁰

Given the weight that Chinese planners apparently assign to CNP calculations, the likelihood of a turn to more overt aggression in any one of the maritime hotspot disputes seems to be increasing. The PRC perceives its strength to be growing relative to rivals and to the United States. The trigger for aggression could therefore come from the perception of an opportunity – e.g., if the United States were either to withdraw or to seem to be dependent on the PRC for help in another area. But aggression could equally follow from the perception of a heightened threat – e.g., as a result of internal unrest within the PRC, increased regional capacity, or closer ties between the United States and the PRC’s rival claimants. In other words, the odds of aggression will go up if either a chance to secure the China Dream appears to be at hand or Beijing fears that it has a closing window to achieve it.²¹

US Involvement

Pending the formulation of new operational concepts and perhaps also the development of new capabilities, the US response to a maritime hotspot contingency in the East or South China Sea or the Taiwan Strait would likely follow time-honored precedent. If the Chinese elect to persist with the gradualist approach, we may yet have some new opportunities to reinforce our ties with key allies, friends, and partners – by taking additional steps to strengthen their capabilities to defend themselves, and to work with the United States and with each other. If the Chinese decide to undertake a *coup de main* but fear a US intervention, their attack plan will likely incorporate counters for a predictable set of American responses. Either way, a change in the established pattern of US behavior is warranted.

To date, the US reaction to the Chinese silkworm strategy has been mixed. While Chinese encroachment in the East and South China Seas has engendered concerns in Washington and triggered restatements of our commitments to allies, regional actors – perhaps particularly in the South China Sea – remain skeptical of our resolve. Our military response seems to have struck these states as inconsistent or ambiguous.²² Factors contributing to this impression may include:

- the perceived paucity of new initiatives associated with the “pivot” following its announcement in 2011 (beyond the Enhanced Defense Cooperation Agreement [EDCA] with the Philippines and the Force Posture Initiatives with Australia);
- the perceived lack of a continuous, consistent US presence in terms of numbers of visible platforms doing patrols, along with ambiguous messaging about the character of those patrols (freedom of navigation vs. innocent passage);

²⁰ Abraham Gerber, “Taiwanese Identity Reaches Record High,” *Taipei Times*, 28 May 2016.

²¹ We could also speculate about which rival PRC aggression would target, and whether a “kill the chicken to scare the monkey” logic might be employed.

²² LTSG Working Paper, Summer 2016.

- the lack of US-led enforcement of the Hague Arbitral Tribunal’s 2016 decision in favor of the Philippines;
- the inclusion of the PLA Navy (PLAN) in RIMPAC and other military-to-military engagements with the United States during the period of Chinese encroachment on disputed maritime territory and harassment of US vessels;
- US conduct in other theaters (e.g., Syria, Ukraine) that raised questions about our credibility as an ally – even in Japan, as the United States worked to improve and revise guidelines for defense cooperation; and
- the success of Chinese political warfare efforts to depict the United States as a transient actor in the region while emphasizing the PRC’s permanence – e.g., through statements to the effect that the United States is not really an “Asian power.”²³

Recent proposals to backstop the pivot – e.g., by pursuing a “hedgehog strategy” of strengthening US friends, partners, and allies in the region – would help counter some of the above concerns.

In the event of overt Chinese aggression to seize a disputed island or waterway, the PLA’s plan would take into account an anticipated US military response based on a well-developed understanding of our “shape” (形), or the way that we habitually react to security challenges. For the better part of the last century, US power projection has proceeded via a build-up of forces near the target on regional bases and aircraft carriers, followed by strikes on the target from predominantly short-range aircraft. That is our shape. In the face of North Korean and Chinese provocations in the mid-1990s, the United States repeatedly sent carriers to the East China Sea and Taiwan Strait to signal our displeasure and seriousness. Chinese defense scholars have also studied our adherence to the above pattern in the 1991 Gulf War and more recent conflicts in the Middle East and Central Asia. Perhaps a sense of confidence about both their grasp of this approach and their counters to it led them to describe it for the first time in the 2013 edition of the *Science of Military Strategy*:

After the Cold War ended, the United States changed ‘forward defense’ into ‘forward presence’ and reduced its overseas garrisons, but it still ... maintained a certain number of forward garrisons.... At the same time, it treated its strategic nuclear forces and conventional forces deployed in the homeland as a backup, using the [former] ... to prevent nuclear attacks and large-scale conventional attacks against the United States and its allies, and treating the conventional active-duty and reserve units stationed in the homeland as central reserves, with an emphasis on strengthening the[ir] quick reaction capabilities ... to deal with regional crises and conflicts; these would rely on strategic means of air and sea transportation for quick deployment as needed, reinforcing units stationed along the front lines at any time to strengthen their capacity for sustained operations.²⁴

Chinese defense scholars have clearly identified a stable pattern in US operations to respond to far-flung contingencies.²⁵ This has led to an impressive build-up of capabilities to oppose incoming US forces, including both intelligence, surveillance, and reconnaissance (ISR) assets and ballistic and cruise missiles

²³ Ibid.

²⁴ 战略学 [*Science of Military Strategy*], 2013, p. 54.

²⁵ Phillip Pournelle, “When the US Navy Enters the Next Superbowl, Will It Play Like the Denver Broncos?” *War on the Rocks*, 30 Jan. 2015.

to attack mobile targets entering the region and the fixed bases that the United States would depend on within the region – from the DF-21 “carrier killer” to the DF-26 “Guam killer.”

With regard to maritime conflicts in particular, since at least 2002 PLA theorists have been arguing that future island wars will be “global” and “cross-domain” – i.e., not confined to the local beachhead.²⁶ This development is both enabled and required by the rise of long-range conventional precision strike capabilities. To prevent a US intervention, the PLA might execute cross-domain options to target US ports, logistics flows, and sustainment forces a long way from the PRC. These strikes would likely combine kinetic and non-kinetic attacks (e.g., cyber interference with, or degradation of, US Transportation Command to disrupt US deployment and logistics).

Beijing’s peacetime preparations for a maritime hotspot contingency have included cultivating political and economic relationships with countries in the South China Sea – presumably in part to reduce the chances that the United States will be able to use regional bases. These efforts may be paying off, at least in the Philippines. Just last month President Duterte announced his decision not to allow the United States to build on Bautista air base on Palawan. This was the facility included in the 2014 EDCA agreement that would have granted US forces nearest access to the disputed Spratlys. While there is no guarantee that the PRC will succeed over the long term in denying US access to regional bases, it is at least likely that through local intelligence sources, the PLA would have advance warning of incoming US forces. Such warning could give the Chinese the option of interfering with the American build-up before our forces are fully in place and prepared to fight. “Winning without fighting” remains the ideal, and the PLA’s counter-intervention forces are designed to function as part of an effective control effort to deter the United States from interceding on behalf of a regional partner or ally. But if that fails, the PLA could try to preemptively employ its arsenal to destroy the infrastructure and platforms essential to US power projection. The escalatory dangers of such a move, however, cannot be overstated. It is entirely possible that the US response would be overwhelming and devastating.

US Options to De-escalate/Deter

The foregoing discussion has established that the factors driving potential future PRC aggression are largely outside US control. These factors include the PRC’s economic growth and military build-up relative to other actors in the region and the United States. We are unlikely to try to curtail Chinese economic growth, and we have limited capacity to improve the economic position of other actors in the region. Our influence over their military modernization decisions is also limited. General deterrence would still be enhanced if we reduced our vulnerability to the PLA’s counter-intervention forces by changing our “shape.” Proposed new concepts for the US military range from options centered on destroying key targets on the mainland to options revolving around a distant blockade, or interdicting the PRC’s sea lines of communication to prevent commercial ships from reaching the mainland.²⁷ While all of these concepts merit further exploration through research, analysis, games, and modeling and simulation, budgetary constraints and bureaucratic factors may inhibit our progress.

²⁶ Chen Xinmin (陈新民), Xu Guocheng (徐国成), and Luo Feng (罗锋), *岛屿作战研究* [Studies of Island Operations] (Beijing: Military Science Press, 2002), p. 29.

²⁷ Mike Pietrucha, “Strategic Architectures,” *Leading Edge: Airpower in Theory and Practice*, 4 August 2015.

Meanwhile, PLA theorists increasingly emphasize the importance of controlling outlying maritime territory,²⁸ or “forward edge defense” (前沿防卫) in the parlance of the 2013 *Science of Military Strategy*.²⁹ This notion is based on a view of the lessons of history and an assessment of the impact of technological trends on warfare, neither of which is subject to US control. In World War II, the Chinese suffered devastating losses at the hands of Japan, an island state that blockaded major Chinese cities, but then cheered on the Allied effort to recover Japanese-conquered outposts and eventually target the home islands. The outcome of the Chinese civil war, with the flight of the Nationalists to Taiwan and subsequent clashes over smaller islands in the Taiwan Strait, reinforced the importance of struggles both against and over island territories. Finally, Chinese defense intellectuals look back at the Cold War as a struggle over control of key maritime territory, including both islands and coastal bases, and continue to view regional developments through that prism. For instance, they see recent construction at Cam Ranh Bay in Vietnam and Subic Bay in the Philippines are transforming them into “two pliers stuck down the throat of China’s southern-facing ocean routes.” The US base at Diego Garcia, Indian position on the Andaman Islands, and US access to Changyi naval base in Singapore are also cause for concern, even as the PRC progresses with its base in Djibouti and forays into Sri Lanka and the Maldives.³⁰ The past is present when it comes to the role of islands and other maritime territory in PLA geo-strategy.

At the same time, the 2013 *Science of Military Strategy*’s explication of “forward edge defense” is grounded in a discussion of contemporary high-tech trends featuring “informationized weapons and equipment” and the rise of “land, sea, air, space, and network multi-dimensional distant combat based on information systems.” The discussion also repeatedly looks forward to a time when the PRC will have extended its “forward edge” into an “arc” shaped region (or regions) opposite the Western Pacific and Indian Ocean.³¹ This would seem to entail occupying positions in the “first island chain” and South China Sea. In a more explicitly offensive vein, the text stresses:

... in terms of the Taiwan issue, East China Sea issue, South China Sea issue, and southwest border and territorial dispute ... we cannot wait for the enemy to attack us.... Therefore, at the same time as our military persists in subduing an opponent only after the enemy has attacked, we place strategic attack as an important operational category of vigorous defense.³²

As mentioned above, a decision that such a strategic attack was necessary could be driven by a downturn in the PRC economy or some other negative domestic development well outside the control of the United States. Beijing might nonetheless blame the United States and/or other outside parties for an internal crisis, and CCP elites might well also fear that American or other foreign forces would seek to exploit or exacerbate the domestic situation. All of this suggests that it will be difficult for the United States to deter PRC aggression once its CNP calculations reach a certain threshold or in the event of a major internal setback. General deterrence is likely to break down, in other words.

²⁸ Zhu Wenquan, op cit.

²⁹ 战略学 [Science of Military Strategy], 2013, pp. 104-106.

³⁰ For instance, Hu Xin [胡欣], “The Resurrection of Cold War Military Bases: Stumbling Blocks to China’s Maritime Strategies,” [“复活的冷战基地:中国海上战略通道的拦路虎”], *Contemporary Military Affairs*, 9 (2015).

³¹ 战略学 [Science of Military Strategy], 2013, p. 106, 108.

³² 战略学 [Science of Military Strategy], 2013, p. 107.

The prospects for restoring immediate deterrence look brighter, based on PLA writings on island warfare published by both the Academy of Military Science and the National Defense University in Beijing. These works stress that island campaigns require meticulous, lengthy planning, which creates an opening for an adversary to interfere.³³ Specifically, 21st-century island warfare operations will be complex and joint, necessitating extensive advance preparation to execute. Substantial forethought and prior arrangements will also be required to ensure that such a joint force's logistical and sustainment needs are met at a distance from the mainland.³⁴ Under these conditions, "the threat of a powerful enemy intervening" might deter the PRC from attacking a weaker island:

A strong enemy, in order to ruin the propensity of things for a landing, and in order to interfere with preparations, may toward the landing conflict institute provocations or military strikes, though of a small force level, of a short time, and of limited objectives, in order to avoid escalation to a larger scale of conflict.³⁵

A similar point is attributed to Mao's Deputy Commander of the Third Field Army, Li Yu, a veteran of the PRC's failed efforts to dislodge Nationalist forces from Jinmen, Zhoushan, and Dengbu islands in 1949, who is said to have stated:

...[F]or modern warfare, especially the large-scale naval joint operations that our military is not skilled at, operational preparations are more important than grasping combat opportunities. An extra share of victory comes with an extra share of preparation. If there is no absolute assurance, we should not readily launch attacks and would rather delay for some time.³⁶

The PLA's historical experiences with the fragility of island offensives thus reinforce its insistence on full control as a prerequisite for action, which presents opportunities for immediate deterrence.

The implication is that if the United States had warning, it could disrupt a planned operation through, for instance, unexpected visits to or rotations through non-typical access points (e.g., civilian airfields and ports), snap exercises in the region, and/or unexpected displays of new capabilities. Such capacity revelation, in turn, could be accomplished through a leak, a test, or the use of a new system in an observable exercise.

While American analysts might naturally also be interested in exploring "off-ramps" as a way to de-escalate a crisis, there is no reason to think that such alternatives exist for restoring deterrence once

³³ 战略学 [Science of Military Strategy], 2013, p. 115.

³⁴ Zhang Yuliang et al., eds., 战役学 [The Science of Campaigns], (Beijing: National Defense University Press, 2006), pp. 506-507.

³⁵ Studies of Island Operations [岛屿作战研究], p. 31.

³⁶ Selected Works of Li Yu, Volume 3, (Beijing: Military Science Press, 2004), p. 51, as cited in 战略学 [Science of Military Strategy], 2013, pp. 115-116.

Beijing has made a decision for aggression. There is no word for off-ramp in Mandarin. To the contrary, through concepts such as effective control and “war control” – an earlier term used in the 2001 edition of the *Science of Military Strategy*³⁷ – the PLA will be seeking to encourage us to give up early in a conflict. Any efforts to offer off-ramps are likely to be interpreted in this context as a sign of weakness, encouraging the PLA to proceed with the execution of its plan.

The potential for restoring immediate deterrence thus rests on the US ability to gain warning of a PLA offensive – either independently or with help from local allies and partners – and to act on that warning in ways that the PRC does not expect. This, in turn, would seem to require access to new facilities in the region, subject to the permission of regional allies and partners. It could also require the possession of capabilities that the United States has concealed but can reveal at a critical moment.

Last but not least, to the degree that such immediate deterrence options seem unlikely to come together or to succeed, preparations for a potential protracted conflict with the PRC are warranted. Such preparations should include the development of forces to execute whichever of the aforementioned – or other, as-yet-undeveloped – new concepts the US military adopts to change our “shape” and reduce our vulnerability to Chinese counter-intervention capabilities. Mobilization and civil defense planning, along with measures to offset the disruption of our trade with the PRC, should also be undertaken. Beyond providing us with a kind of insurance policy, all of these steps would be useful to enhance general deterrence and thereby reduce the likelihood that they would ever need to be used in a conflict.

³⁷ Peng Guangqian, Yao Youzhi, eds., *The Science of Military Strategy*, English translation of 2001 Chinese-language edition, (Beijing: Military Science Press, 2005), pp. 197-212.

PANEL III QUESTION AND ANSWER

HEARING CO-CHAIR GOODWIN: Thank you.

We'll start off with Dr. Wortzel.

COMMISSIONER WORTZEL: Oh. Mike, you threw me for a loop here. If you go out to Yokosuka, you know, I mean Seventh Fleet and then Japanese Maritime Self-Defense Force folks feel like they have a completely integrated C4ISR structure. And if you go to the air forces, they kind of feel the same way, which is not to say they are. Ground forces are the same.

So I'm going to give you the opportunity to really explain what you mean when you said that our command structure, the U.S.-Japan command structure, in a crisis is messed up.

DR. GREEN: So I co-chaired two reports that were requested of CSIS by the Pentagon based on NDAA language from the Armed Services Committees, and we go into some detail on this issue. And there are other challenges if we're talking about contingencies with Japan that relate to readiness and munitions that are probably more important in terms of warfighting.

What worries me about a crisis escalating in the Taiwan Strait, South China Sea, East China Sea, is that while the U.S. Navy and the Japan Maritime Self-Defense Forces have outstanding relations, and the Japanese particularly in their maritime forces build force structure and force posture to complement us in ways sometimes I wish our NATO allies would do, while that's all true, when the balloon goes up, who has the gun?

And that neither side fully knows that. The U.S. for some time in an unclassified context, the U.S. for some time assumed that Joint Task Force 519, which was essentially the Pac Fleet commander, would deal with Taiwan Straits, would deal with contingencies. That's who responded with the Japanese under the admiral at the time when 3/11 happened, the big earthquake and tsunami in March 2011.

They operated with open comms. They used email. That's the only way they could communicate in combined operations. Nobody shot back. Nobody jammed our communications. That should have been an indicator. And then the next year, 519 was disbanded so the task force does not exist anymore.

So you would need a joint task force capable U.S. side, and U.S. Forces Japan don't have that capability, as you know. They are managing the component commands, the bases, and political military issues. So your options are Pacific Command, Pacific Fleet, Third Marine Expeditionary Force, and probably Seventh Fleet.

And then the Japanese side is debating whether their Chief of Defense Forces could manage the contingency and all the geopolitics. You know the Chairman of the Joint Chiefs of Staff did not run the wars in Afghanistan and Iraq. And even the CENTCOM commander didn't run them. You had to have a--so the Japanese are looking at what the Australians did after East Timor, which is a joint operational command, an operational command.

So we're in a pretty rudimentary level actually when you look at command and control relationships and associated secure communications. It's not the case on a surface-to-surface--excuse me--service-to-service relationship, like with the Navy, but we have homework. We have homework.

COMMISSIONER WORTZEL: I'm inferring from what you say that ideally we would be organizing, putting in equipment and exercising these things now if we were to have a deterrent capability against some future crisis?

DR. GREEN: That's right, Larry. And jointness, as you know, as they teach in war colleges, jointness is deterrence. If you can operate jointly and the other guys, the Chinese have to plan for that, you know, that's as good as having, you know--take your measurement--another two carrier battle groups. But the jointness and the ability to operate jointly and not have it interrupted is huge, and we have--we complicate the Chinese planning.

They have to start assuming now that we, the Japanese will be in. But if we had to fight, we're not, we're just not there yet. If we establish these relationships, it does a couple things. It leads requirements. You know, requirements will be determined based on that. You know, the planning, the exercises will be exercises to test the plans, all stuff, as you know, we do in Korea pretty well.

Japan was always on the rear area. It was never the front line, but with the East China Sea and with the North Korean missile threat, they are now in the front line, and the kind of luxury of being rear area support is no longer there. They have to plan with us the way front line allies did in the Cold War, Korea and NATO.

COMMISSIONER WORTZEL: And just to follow up one more time. That would also then involve force deployment lists and equipment that would have to either be pre-positioned or ready to go to respond to that on both sides; correct?

DR. GREEN: That's right. And I don't want to, the task is big. I think people are on the case. You know, Harry Harris at Pacific Command knows this better than I do by far and is on it. The Japanese know it, and they're on it.

But inertia, bureaucratic stovepiping, who's going to get this command relationship, what is the U.S. Force Japan role, that's all slowing it down, and I think it's going to need a push from Congress probably and also from Secretary Mattis and others because we're not where we need to be.

HEARING CO-CHAIR GOODWIN: Vice Chairman Shea.

VICE CHAIRMAN SHEA: Thank you. This is great testimony. Really interesting, interesting day.

I want to explore the issue of whether providing greater clarity of the U.S. position has deterrent effect and what are potentially the down sides of being more clear because when you start drawing red lines, you have to be able to back them up.

So, for example, Dr. Green, in your testimony, you say with respect to Taiwan, U.S. has tactical clarity regarding U.S. ability to defend Taiwan, but strategic ambiguity regarding the exact circumstances under which the U.S. would use military force on Taiwan's behalf. So the question there is should we be more clear about when we would use force and whether that would have a deterrent effect and what are the costs and benefits of that?

Secondly, in the South--this question is for everybody--in the South China Sea, we assert our desire to have freedom of navigation, we want these disputes to be resolved peacefully, but we take no position on the underlying territorial claims. Should we start taking positions on the underlying territorial claims? Would that have some value?

With respect to the Senkakus, we say the Senkakus are under the administrative control of Japan, but we take no position regarding sovereignty. Should we change that position and just say that's Japanese territory, sovereign territory?

So what are the benefits of, you know, perhaps more clarity? And I assume there's drawbacks because it reduces your wiggle room. So comments?

DR. GREEN: So I'm a Theodore Roosevelt fan. And I'm a big believer in speaking softly and carrying a big stick. And, you know, strategic ambiguity but tactical clarity is classic TR. And it needs to be very clear to any potential adversary that we have the willpower, the capabilities, the readiness and the allies to defeat them, and it gets to some of the points that Dr. Deal was making.

There are some downside risks to having strategic clarity on what we'd do in certain scenarios regarding Taiwan Straits or South China Sea. I'm with Mira Rapp-Hooper. I think we can crank up our declaratory policy on the South China Sea, but there are things we need to consider. One is you draw a red line, and they cross it, and you draw another red line, and as my old boss Steve Hadley used to say, pretty soon you're creating a red carpet.

So you need to be sure that the American people and the Congress are willing to fight. You know you can't let the declaratory policy on when we fight get ahead of the reality, and there is no clearer demonstration of this than President Obama's red line on Syria, which had enormous consequences in Asia when he didn't live up to it.

So that's one problem. The second problem is I think our strategic trust with Prime Minister Abe and the Japanese government is at an all-time high. I think Tsai Ing-wen in Taiwan is a reliable partner. People debate that in this town, but I think she's reliable. Duterte is more interesting.

But the second thing we need to consider is when we do strategic ambiguity, we're giving a green light to our allies. If we say we'd fight under any circumstances, you know--

VICE CHAIRMAN SHEA: I'm not saying under any circum--I'm not suggesting under any circumstances. But clarifying the circumstances under which you would--with ambiguity, you may be encouraging aggression because the potential aggressor may not believe you would--

DR. GREEN: I see what you're saying. So to answer that question, I would say tactical clarity, the ability to move U.S. carrier battle groups, joint operations. The most effective deterrent message we've sent to China in the last 20 years is when the Chinese tried to send a Han class submarine through the Japanese straits in around 2005, and we and the Japanese waited, waited, and then we lit them up, and they saw how joint we had become, especially the navies.

That's huge. That's where our focus should be. Now, in terms of clarifying, we could, for example, in the Philippine case, clarify that we consider the Sierra Madre, this grounded LST, to be covered by our treaty because our treaty with the Philippines is more ambiguous. We could extend. In some cases, I think that's what you may be suggesting--why we'd fight.

We could have declaratory policy on Taiwan that goes beyond just defense of an attack against Taiwan but talk about interruption of sea lane traffic, interruption of air safety. I think we could do that. And so you can adjust strategic ambiguity.

On the Senkakus and territorial question, if I could--

VICE CHAIRMAN SHEA: Sure.

DR. GREEN: --and then I'll turn it over to my colleagues. If you're thinking purely about deterrence, then we should say that's our only concern. Then we should say we recognize that the Senkakus are Japanese territory and all these islands are the territory of the claimants who we like--if you're only thinking about deterrence.

But one context that I think is important for this committee today is we are not, we're talking about what in military plans are phase one, phase two, phase three, when we go kinetic,

when we're in a state of confrontation. We're not there. Right now we're in phase zero. This is a test of wills and the context matters. There are a lot of tools--development, trade, diplomacy, alignment.

And if we, if our strategy is based on winning a war only, we're going to risk losing the peace because we're not going to have allies and partners with us. So if it were purely about deterrence, I would say, yes, we should recognize these are territories of these countries. Then there is no ambiguity; we'll fight to defend them.

The problem with doing that now is we're a country that stands by the rule of law, and the determinations about these territorial questions are reviewed by the legal part of the State Department. They're based on very carefully considered judgments. We don't anywhere in Asia recognize any territorial claim with the one exception of the Northern Territories for Japan, and if we were to start saying, well, we recognize these guys because of the threat or we recognize those guys because we like them, we would be undermining one of the really important tools we have in phase zero, which is that we are a nation that stands by the rule of law, and so I think it's tempting, but I would vote against us doing it.

VICE CHAIRMAN SHEA: Okay. Thank you.

Dr. Hooper, Rapp-Hooper.

DR. RAPP-HOOPER: Vice Chairman Shea, I think you're asking a really essential question, and I'm glad that you raised it.

So, first, when it comes to the South China Sea, I'll note that my comment suggesting a thorough policy review and a clarification of declaratory policy were made specifically because I think that the content of our declaratory policy, while absolutely true, is not giving us the deterrence bang for the buck that we might be able to get out of a declaratory policy if it was sort of reconstructed with an eye to the way that the current conflict dynamics are shaping out.

That is because the laundry lists of values that the United States stands behind in the South China Sea are exactly what my colleague, Dr. Deal, identified, but they are very difficult things to actually protect and things to create deterrence around when push comes to shove.

So we are talking things like the peaceful resolution of disputes, international law, the non-use of coercion, things that the United States absolutely stands for on the global stage as in the South China Sea, but those interests give our adversaries and our allies alike very little signal as to what they should expect the United States will, in fact, stand up for.

That is what is the situation that brings this declaratory policy into effect; right? It's a list of principles that we can all sign up to in theory, but they tell us relatively little about the United States in practice. So to my mind, it would be very useful for this administration or any administration to sit down and do a thorough review with the interest in mind that Dr. Deal mentioned, which is the fact that there are increasingly signs that China may be acting as a hostile hegemon in these waters and hoping to carve out a sphere of influence in the South China Sea, and that is not to say that U.S. declaratory policy would ever be crafted around those items in particular, but rather to identify the behaviors to which we fundamentally object and which might cause Washington to want to intervene in some decisive way.

So one thing that I would suggest that is clearly inimical to U.S. and regional interests that could both belong in a more clarified declaratory policy in the South China Sea is that no claimant should be seizing new territory. Right? There is already a non-binding declaration on conduct which was passed in 2002 by the ASEAN states and China, and they have all agreed not

to disrupt the territorial status quo in Asia, but no claimant should be seizing new territory. That's clearly a way that we could see some sort of crisis or conflict erupt, clearly a way the United States could become pulled into a contingency.

And it's clearly what we are talking about when we worry about let's say a Scarborough Shoal crisis between the Philippines and China. So to my mind, there are specific actions that we can identify ahead of time that the United States has an interest in declaring as inimical to our declaratory policy in the South China Sea, and that's what a thorough policy review should include.

But to your broader point, I largely agree with Dr. Green, that the United States should not compromise its lack of position on the sovereignty disputes. Indeed, it is absolutely in the United States interests to put rule of law first, and if we are thinking of ways to make declaratory policy stronger with respect to particular features, the way to do it, particularly in the case of the U.S. and Philippines, if we wanted to, would be to extend the Mutual Defense Treaty so that it specifically applies to particular land features about which we are concerned.

I myself was in favor of doing that with respect to Scarborough Shoal until President Duterte was elected, and that gives you exactly the calculation of the downside risks that you asked for, which is to say when you expand your declaratory policy, when you make more things vital national interests, you run the risk of allied opportunism and moral hazard problems if the security client, that is in this case the Philippines, believes that they can take actions that they might not otherwise take without U.S. backing.

So to my mind, it is not with such an unpredictable president in the Philippines currently in place advisable for the United States to further clarify its mutual security guarantee to the Philippines, but rather to identify its own objectives for the South China Sea and to think seriously about what it cannot tolerate in those waters when it comes to rethinking any kind of declaratory policy.

VICE CHAIRMAN SHEA: Thank you.

DR. DEAL: Let me just quickly say one thing about joint operational command centers because--triggered by the first question in the discussion with Japan just for point of comparison. I think the Chinese have had a joint operational command center active in the East China Sea since the last five years.

So there may be a lot of happy talk and aspiration, but they've actually also physically set up the infrastructure and I think been planning and doing the kinds of movements of forces and preparations that Larry mentioned with regard to what we should be doing with Japan, at least for the past five years, and of course joint in their context doesn't mean joint with another country. It means inter-service and within their navy across the three fleets. But still they've been physically preparing for a contingency in the East China Sea for five years in that kind of a way.

On the question of red lines, thank you for raising an important issue. I think as the previous panel participants underscored, what's most important is our behavior. Our declaratory policy matters a lot, and our rhetoric matters a lot, but also our behavior is huge, and our behavior has not been consistent in showing either our regional friends, partners and allies or our rival, China, that we are very serious about defending the principles that we have been defending since World War II recently.

So there's been a great deal of variability in our presence, in our willingness to conduct

patrols, and I think it doesn't matter what we say if we're not actually physically doing the things that inspire confidence and reassure our allies, partners and friends, and bolster deterrence in the face of Beijing.

On the other hand, there are considerations that you raised or tradeoffs with regard to red lines. We want to preserve operational flexibility and some ambiguity for deterrence purposes at the same time that we reassure our allies, partners and friends of our commitment. So statements are important.

I'm not, I think that the real risk, though, of setting the red line is that you create a situation where the target or China can think it can get right up to the red line. So you lose something. It's better to have a situation where they don't know exactly where the red line is, and they're scared to get anywhere close to it. So that would be the ideal. If we had the credibility that I think we should have, that would be the ideal.

I'm much less worried--I don't worry about moral hazard with regard to any of our allies, friends and partners in these regional hotspot disputes. Japan has administrative control over the Senkakus today and is worried about losing it. They have no interest in changing the status quo. They want to protect it. Taiwan is a liberal democracy that hopes to resolve its differences with the mainland peacefully. And the South China Sea states are smaller than China, and they're worried about our commitment to back them up. They have no interest in starting a fight. They're not even sure that we would be there for them.

So I think the real risk is that China is emboldened and doesn't think that our deterrence is credible.

VICE CHAIRMAN SHEA: Thank you. Thank you very much. Sorry, I went way over her.

HEARING CO-CHAIR GOODWIN: Commissioner Tobin.

COMMISSIONER TOBIN: Great. Thank you, Doctors.

Dr. Wortzel's question addressed what I wanted to ask Dr. Green. So let me share my questions with Dr. Hooper and Deal.

Dr. Rapp-Hooper, you spoke, and I'd like you to elaborate further on this, you urged the administration to craft its approach to Duterte, and, as you know, we have to prepare recommendations to Congress. So if you could think about crafting an approach from the congressional perspective and also from the administration perspective.

And then I'll share my question with you, Dr. Deal. Near the end of your testimony, you intrigued me with your statement, and I would agree, we need to prepare for a protracted war and a protracted war environment, and then you said that entails preparing U.S. citizens. I'm wondering if you could expand on that further?

So Dr. Hooper.

DR. RAPP-HOOPER: Thank you for your question.

It's a very good one, and the reason I did include it on my list of recommendations is because I think Congress has a really important role to play in this situation in particular. As I mentioned and as you know, part of the reason that the U.S.-Philippines relationship has become attenuated since Duterte's election has nothing to do with foreign policy and is, indeed, the fact that he has been conducting this campaign of extrajudicial killings with respect to the Philippines war on drugs.

And Congress, much more so than either the last administration or this administration,

has been reasonably vocal in the fact that the United States cannot abide these types of killings and certainly cannot continue to provide in perpetuity the Philippines with defense articles that could potentially be used to in any way assist in this campaign.

So Congress has already taken a very active role in talking to the State Department and evaluating the types of aid that the United States gives to the Philippines with an eye to the domestic situation, and in starting to think about what it would like to restrict some of that aid if Duterte does not turn the situation around.

At the same time, because Scarborough Shoal and Second Thomas Shoal remain the most likely contingencies in which the Philippines could become involved and the United States could therefore potentially be on the hook by implication, it also remains true that this administration has to be in touch with its Philippines counterparts at the working level even if the defense aspects of this alliance are not as high profile as they were under the last Philippines administration.

That is to say they have to be working together to talk through crisis management, what they would do in a contingency and indeed what, even just talking about what these contingencies might look like.

So to my mind, Congress has a role to play in thinking through what a balanced approach to Duterte looks like. That is to evaluate the landscape of likely legislation that may be coming down the pike to potentially restrict or at least censor the Philippines activities with respect to the extrajudicial killings while also accepting and leaving space for the fact that the United States and the Philippines have an essential mutual defense relationship that is not going to become less relevant in the coming years despite the incredibly untoward activities that Duterte has been taking with respect to his own domestic politics.

And indeed Congress is in the best position to evaluate what that balanced policy might look like.

COMMISSIONER TOBIN: And can you think of an example where we've done such effective censorship?

DR. RAPP-HOOPER: So an example of what has already gone on is that Congress has decided that there should be limits on the supplies of lethal weapons to the Philippines police force.

COMMISSIONER TOBIN: Uh-huh. Excellent.

DR. RAPP-HOOPER: This has happened just in the last few months because, of course, there is a strong feeling that United States' bullets should not end up in guns that are being used in this local drug war. So that is an appropriate, I think, consideration of a way the United States can send a human rights related signal when it comes to what rule of law and law enforcement should look like in a vibrant democracy without necessarily holding at risk the defense relationship with the armed forces of the Philippines.

And again, Congress is in a very apt place to both work with the State Department and examine the landscape of the type of aid that the United States gives to make those signals tactical but to not have them disrupt the broader relationship to the extent that that's possible.

COMMISSIONER TOBIN: That seems wise to be putting the pressure on one end but not hurting ourselves on the other, and the Philippines/Philippine people, not hurting them on the other, due to Duterte.

Dr. Deal.

DR. DEAL: Just on the other hand, with regard to the Philippines, we heard a lot in the last panel about those fateful months in 2012 when we didn't come to their aid substantially.

COMMISSIONER TOBIN: Right.

DR. DEAL: But we also haven't talked about the fact that this arbitral tribunal ruling came down and basically said that China's behavior in the South China Sea is completely unlawful and nobody has, nobody--so if we wanted to change our declaratory policy, we wouldn't have to reinvent the wheel.

There is international law and a judgment from an impartial court that says what China has done is wrong, and so we could adjust our policies in line with what the arbitral tribunal ruling is, but again we would actually have to back it up then.

COMMISSIONER TOBIN: Right.

DR. DEAL: So--and I think we should.

On the question of preparing U.S. citizens for protracted war, part of this is from my reading of Chinese literature. Even though we talk about the kind of kinetical short, sharp strike kind of conflict that they would like, first, they'd like to win without fighting. Then they would like to win a short, sharp war, limited war, but there is a lot of evidence that they have also been thinking about and planning for mobilization for a protracted conflict now at this point, even more than five years ago.

So five years ago, they set up the Joint East China Sea Joint Operations Command Center to prepare potentially for a conflict with Japan, but even further back than that, they passed a defense mobilization law that sets forth a very elaborate set of rules for how they would go about--look, if you're going to prepare for a long war, you need to get public and private to work together.

COMMISSIONER TOBIN: Right.

DR. DEAL: And in some ways that's a lot easier in China because their public is their private. I mean even private firms in China have Party committees running them, and the state is so much bigger there. But they have been working on how you would go about harnessing the civilian economy or the--yeah--the private economy.

How would you deal with infrastructure challenges, compensation issues, the kinds of things that if we were serious about preparing for a protracted war, we would also be considering. And in some sense, the questions would be even harder for us because we really have a private sector, and we're out of practice fighting very long wars or intense long wars like total wars like World War II.

And I'm not saying we should, I want to fight World War III, but the best way to not fight World War III is to credibly prepare so that the other side sees that if it comes to it, you're ready and you're capable and that that's the best kind of deterrence there can be.

So if we were serious, we would have civil defense, we would have some kinds of legislation or discussion of how we would mobilize the U.S. private sector because there's a lot of talent and brain power that will be relevant to a serious long war with China. We'd also, as people on the previous panel discussed, we'd be educating our people about the nature of China's behavior, and so we wouldn't be keeping secret offenses to our forces as they're deployed, harassment, challenges to other people's territorial claims or forces in open waters. We'd be publicizing them.

And in some ways, our allies have led the way, and I think the Japanese have been most

forward leaning in publicizing Chinese incursions into their airspace and water space, but we ought to be publicizing all of that too because it's preparing the American people for the nature of the challenge.

COMMISSIONER TOBIN: Here, here. I happen to--I agree. Yeah Yes. Thank you both.

HEARING CO-CHAIR GOODWIN: Thank you.

Commissioner Stivers.

COMMISSIONER STIVERS: Thank you. Dr. Rapp-Hooper, thank you for your excellent testimony.

I have two questions. First, I agree with your recommendation to make the messaging more about more than just the military. I would add both message and policy should be more about the military. I think that's important. For our security efforts in the region I think to be effective we also need an economic strategy.

And the first sentence of that recommendation I find very interesting. You said the administration should seek to balance its Asia policy to avoid the emerging perception that it is exclusively focused on unilateral military tools.

I've heard, the same thing in the region, especially from Philippine officials. So putting aside President Duterte for this answer because that's a whole different kind of answer, what do the Philippines and Vietnam want U.S. policy to be? What do you think they want our policy to be in the region?

DR. RAPP-HOOPER: So thank you for your question.

I think when we talk about balanced policy and balancing it away from just unilateral military tools, there's at least two pieces of that. One is having non-military tools be a crucial part of the policy, and another is having military tools that are not unilateral be a part of the policy.

So when it comes to non-military tools, exactly as you say, it would be highly beneficial if despite the fact that the administration has decided not to participate in the Trans-Pacific Partnership, to craft some kind of economic agenda for Southeast Asia, even if just starts slowly, but some type of investment or entrepreneurship initiative to remind Southeast Asia that the United States understands that it's an engine of economic growth in the 21st century and would like to be a partner in that economic growth.

There is no question that that's to our advantage, in addition to reminding partners in Southeast Asia that we intend to be there over the long term.

Second, when it comes to diplomatic strategy, I think that we have opportunities in Vice President Pence and Secretary Tillerson's meetings coming up in the next couple of months, but it's absolutely essential that, despite the fact that this engagement is at times very frustrating, the United States recommit to engagement with ASEAN and ASEAN-related institutions.

This is an organization that operates more or less completely by consensus, which makes it very hard to make pragmatic practical progress on specific issues, but, nonetheless, it's essential to participate in it to demonstrate to Southeast Asian partners that we care about their institutions and that we want to meet them in the region on their terms to understand their interests.

So recommitting to ASEAN I think is absolutely essential as part of this too. And as case in point, a lot of diplomatic and other business goes on on the sidelines of various ASEAN

forums. So it's essential that we be there at the highest levels.

When it comes to using military tools that are not unilateral, I think the Obama administration got off to a solid start on a few different initiatives, and these are initiatives that certainly deserve resources and more energy under this new presidency.

One is to promote maritime domain awareness in the region. So the Obama administration had an initiative called the Maritime Security Initiative. This is a five-year-long initiative. It's very much still in progress, and the idea is to provide the five states around the South China Sea with nonlethal tools by which they can improve their ability to monitor the waters close to their shores with the eventual hope that they will integrate those capabilities so that they are all operating off of a more common picture of the South China Sea.

So the idea there is not only to help them provide for their own defense and help them to be able to improve their law enforcement capability, but eventually hopefully to build trust among them when it comes to information sharing.

Another key non-unilateral military tool is security assistance. East Asia has generally gotten no more than one percent of U.S. foreign military aid overall. Of course, the Middle East gets the bulk of the assistance. And in just the last two years, we've seen an uptick so that aid is now closer to around two percent for East Asia.

But it's absolutely essential that the United States continue to provide defense and law enforcement articles to countries like the Philippines, in particular, continue to invest in building out its relationship, its defense relationship with Vietnam, which is really just at very nascent stages.

And one other item that I would mention that I think could be very useful in the non-unilateral military area is to encourage other allies and partners, like Japan and like Australia, to increasingly coordinate the security assistance that they are giving to these same countries.

So as China has been increasingly assertive in the South China Sea, we have seen Japan, Australia, South Korea, India become increasingly interested in providing other forms of aid to Southeast Asian states as well. And one thing that the United States could do is play a really constructive role in creating multilateral mechanisms to coordinate and deconflict these aid-giving efforts so that we all know what we're contributing, we make sure that those defense articles and the assistance and training that we're giving are mutually reinforcing, and we can basically create over time some kind of long-term vision for what security assistance in East Asia looks like with our other treaty partners.

COMMISSIONER STIVERS: Thank you for that answer.

HEARING CO-CHAIR GOODWIN: Commissioner Cleveland.

COMMISSIONER CLEVELAND: Hello there. So to build on Jonathan's question, I'm interested, we've talked about the Philippines and Vietnam, and then sort of referenced more broadly Southeast Asia. We are headed to Burma and Thailand in a couple of weeks, and I'm interested in sort of how you see their role, their views, their influence, in terms of the potential hotspots in the South China Sea.

DR. GREEN: My paper is on Japan. May I answer this?

COMMISSIONER CLEVELAND: Yes.

DR. GREEN: I was introductory for all of Asia and South Asia so I have some views on these other parts of the region.

The Thai flag, if you can picture in your head, has the red, white and blue stripes. There's

a reason for that. The Thai king wanted to make sure the--the king of Siam wanted to make sure that both the British and the French thought he was honoring their flags.

The Thai strategic culture is such that they will, they will blow with the winds. They are part of continental Asia and therefore much more vulnerable to Chinese pressure and likely to profit from Chinese economic interactions. Our relationship with Thailand on a military-to-military basis is historic; it's longstanding. We have Cobra Gold.

But we have an untenable situation with the coup. And the Thai military is not going to stand down and let democracy grow for some time since the death of the king. So we're really quite stuck in Thailand in a way. I would not advocate a radical change of policy. I think we do have to stand for democratic principles among our allies. I think we should be patient but firm, and we should work with the Thai military to make sure that these Cobra Gold exercises are, you know, going, but I think the real thing that we need to focus on now is the leadership relationship between our military and their military.

And that is not covered by congressional rules that limit, you know, military education and so forth. So we need to engage deeply with senior levels of the Thai military including down several generations to guys and women with one or two stars, not just the top guys.

In Burma, in Myanmar, Aung San Suu Kyi and the NLD have been in power five years. They're struggling. They're clearly struggling. I think you'll find that when you get there. There's enormous disappointment even among student leaders and veterans of the 88 Movement.

I think the--look, the constitution still gives the military the opportunity to declare national emergency and take control. That's still possible. So it's tenuous, the democratic reforms.

I do think there are opportunities to engage the military more. Traditional IMET military education is going to be complicated, but I think there are ways we can engage through, through nonprofits, through former military officers. We could be engaging with them on non-lethal things like training and the law of war. When I said that on a panel, I got in trouble. That's not the law of how you kill people; that's the Geneva Convention and all that.

There are ways to engage, but in both cases the difference is that the Burmese are tough nationalists who have been fighting the Chinese for millennia. I don't see, I don't see Myanmar drifting into China's camp again, and I think Thailand, we're going to have to be attentive.

COMMISSIONER CLEVELAND: Anybody else?

DR. RAPP-HOOPER: I largely agree with all of the points that Dr. Green just made. I will note that the military junta after the king died did say that theoretically the elections were still on for later this year. Of course, it may turn out that that won't be the case, but as Dr. Green suggested, I think that the critical question is do they hold an election and do they peacefully transfer power for the United States to be able to resume a more active military relationship with the Thais.

Although it's highly unlikely that either Thailand or Myanmar is going to become actively engaged in the South China Sea question in a direct way, I will also note that because they are members of ASEAN, it is useful for the United States to have whatever engagements that we can, whatever engagements are appropriate, at a military-to-military level, particularly because ASEAN is a consensus-based organization, and because China has the ability to put pressure on ASEAN states inside the organization, it is more useful for the United States to have these ongoing negotiations so that countries like Thailand are more attuned to the concerns of the

Philippines, Vietnam, et cetera, when it comes to issues like the South China Sea.

There is currently a set of negotiations going on between China and ASEAN over a framework for an eventual code of conduct. The code of conduct has theoretically been in the works for the last 15 years, and it's highly unlikely that this is going to result in much that is particularly definitive or fruitful, but it's nonetheless important that Southeast Asian states have the support of the United States so that they don't give into China when pressure is put on them.

We have heard reports that both the Philippines and Vietnam have been having trouble standing up to China, so to whatever extent they can be backed up by other partners within ASEAN, all the better.

COMMISSIONER CLEVELAND: Can I--yes.

DR. GREEN: One last, if I may just abuse the button briefly. One thing to keep in mind in all of this is that the country that has the best relationship politically and at a leadership level with Thailand, with Myanmar, with the Philippines, with Duterte, is Japan, and Abe Shinzo personally has charmed and built a relationship with leaders across the region the way he did with our president in Mar-a-Lago, and there's an opportunity there.

And in the way Mira suggested we should coordinate our development and other policies in the region, I think during a period where either their politics or our politics make it difficult to engage as deeply with Myanmar or Thailand or the Philippines, Japan, and to a lesser extent India and Indonesia, even, you know, in a different way, have the same broad interests we do in not being dominated by China.

COMMISSIONER CLEVELAND: Uh-huh.

DR. GREEN: And ensuring an open regional order. So we need to think about occasionally who we can lateral the ball to when we have difficult political relationships.

COMMISSIONER CLEVELAND: Interesting. Can I ask another question?

HEARING CO-CHAIR GOODWIN: Sure.

COMMISSIONER CLEVELAND: Or are you going to go to a second round? It's up to you.

HEARING CO-CHAIR GOODWIN: Go ahead.

COMMISSIONER CLEVELAND: Okay. I asked the panel this morning what the thinking might be in Beijing in response to Xi being in Palm Beach as we're launching missiles in Syria, and I'm wondering--and one of the responses was it reinforced the notion that we are back to a sort of hawkish Republican kind of policy in terms of the Chinese knowing now what they're dealing with.

I'm wondering what your views are on what--I'm not sure that we can interpret the tea leaves on Duterte, but where you think some of the other regional players would come out in terms of viewing Xi is in Palm Beach and we're engaged in a tactical strike in Syria? Does that have any implications or not?

DR. GREEN: Well, as Mao Zedong said, I like rightists; they're easy to understand. And traditional--I'm biased in this--but traditional Republican hawks, who do you think of? Ronald Reagan, George W. Bush, some of the best, ultimately best relationships we've ever had with China, because there's a certain expectation.

I don't believe for a minute that the administration timed these attacks to impress Xi Jinping. I think with professionals like General Mattis and McMasters and others, this was a military decision based on requirements in that lane.

COMMISSIONER CLEVELAND: They could have waited till he left. That's--and so--

DR. GREEN: I suspect what happened--and I'm speculating of course--is that the operational time line that made the most sense was to do it then. And the fact that--

HEARING CO-CHAIR GOODWIN: They were serving cake after all.

[Laughter.]

DR. GREEN: That's right. There's a sweetener, so to speak. But the fact that Xi Jinping was going to be there didn't deter them--

COMMISSIONER CLEVELAND: Right.

DR. GREEN: --that they saw some advantage. I think that may be right. Look, I mean I think assuming that this was done for the right military, operational and geopolitical reasons vis-a-vis Syria, and that's my assumption, given that, I think this is not a bad thing for our allies or for China or North Korea to see.

I think the previous administration deserves a lot of credit, particularly for engagement in Southeast Asia, but the piece that was missing was whether or not the president was willing to tolerate risk, and I think this establishes this president is willing to tolerate risk.

The part that will raise questions and uncertainty, including among our allies, is the rationale the president gave. He said he did it because he changed his feelings about Syria, and now that's not the best framing of the use of force when you're trying to be predictable and consistent with allies. So that part I think was slightly unsettling, but the fact that we're willing to do this and the Carl Vinson carrier battle group deployment--

COMMISSIONER CLEVELAND: Right.

DR. GREEN: --is probably, I mean I'll be bipartisan, I think Hillary Clinton might have done the same thing. We needed to demonstrate that we are not afraid of tension, risk, when it comes to our interests. That's been the lacking piece of our strategy for the past few years, I think.

COMMISSIONER CLEVELAND: And so therefore you would view Vietnam, Philippines would see this as a--never welcome, but it reinforces our willingness not just to take risk but to stand by whatever the principle is that's at stake militarily?

DR. GREEN: I think so. I think so.

COMMISSIONER CLEVELAND: Would you all--

DR. DEAL: I would like to say yes, and I hope that's right. I'm a little concerned, but I admire the question. It's kind of a Chinese question just insofar as they've been the ones who have been the masters at framing and the timing of other events during visits recently. They're the ones who are rolling out new fighter aircraft when our Secretary of Defense is visiting or being very bold or aggressive in the South China Sea at the same time that they're going to RIMPAC.

So I think they've been very conscious of manipulating the domestic audience and the regional audience with regard to their interactions with us in a way that's been negative for our interests in this particular case.

So I like that you're thinking along those lines. In this particular case, I think the region might have been more impressed if what had been revealed was something related to their security and new. So if we had revealed a new set of policies or capabilities or options vis-a-vis the East China Sea or the Taiwan Strait or the South China Sea, I think that would have been more significant.

When they see us launching a strike against Syria, they may fear we're going to continue to be diverted or bogged down or involved in a way that's distracting from East Asia, in that part of the world, as basically we have been for the better part, for more than a decade now.

Also, as was mentioned on the previous panel, the capability that was revealed is not a new one, and the carrier going to Northeast Asia is also not a new move from us, and it's a move that is very consistent with the shape that has been established and understood by China and that they think they have ways of neutralizing now.

So it was also, just in terms of the stagecraft or the messaging around the trip, it was interesting that Xi Jinping, or Chinese state media took the trouble to have him stop in Finland and to pick this as, you know, a tour, the stop in Mar-a-Lago was just one stop on many others. He's a very important man. He's been in Davos, and he goes globally, and of course he's received.

So I think they were very attentive to the stagecraft. I think it's interesting that we may be moving in the direction of trying to send messages with the framing and the timing of events around visits, but I'm not sure in this particular case it would have had quite the effect that you're hoping for or we're looking for with this particular gesture.

HEARING CO-CHAIR GOODWIN: Let me follow up on that question. When Robin asked the question at the earlier panel, I had a similar question kind of pop up and was just struck by the juxtaposition of Xi being at Mar-a-Lago as the strike was happening.

And my thought actually went to your last observation that you made, which is how did the Chinese view that relative to the continued commitment and allocation of resources and attention to that region of the world, perhaps to the detriment of American attention and allocation of resources to the South China Sea and the East China Sea? You seem to suggest right there that they would not welcome it.

DR. DEAL: Actually, no, no, sorry. I think--

HEARING CO-CHAIR GOODWIN: Or would they view it as an opportunity to exploit?

DR. DEAL: Shen Dingli, or one of the Chinese defense intellectual scholars, who is often quoted in Western media, was quoted to the effect of, you know, we may have objected on the surface and especially after we left, but in fact we were secretly very pleased that he launched that strike because it kind of guarantees that you're committed or involved, bogged down in the Middle East, which prevents you from taking us seriously as a challenge.

So at least one Chinese defense intellectual type was on the record in a U.S. paper even saying not only do we not find this menacing, we kind of found it encouraging, if we're honest about it, and so I guess, again, I worry that to the extent that the question is what do the third-party friends and allies and partners in Southeast Asia think, they may also have thought to themselves, well, on the one hand, it's an impressive display of force, but on the other, it's in the wrong part of the world.

HEARING CO-CHAIR GOODWIN: Well, let's talk about the outreach to those partners and allies in the region. You've indicated and the panel has indicated that effective communication with our partners and allies in the region, as well as with our adversaries, is important, and I'm wondering whether we also need to emphasize outreach to the American people as part of this process?

The question, the very admirably vivid question that you posed in your written testimony, Dr. Deal, was are we really going to fight World War III over a bunch of rocks and reefs, and

then, of course, immediately pivoted to the notion that that's not the appropriate question.

And Dr. Rapp-Hooper, you made a similar observation in your written testimony that the question is really who's going to bleed in the region? Who's going to write the rules? Who will step up and respect the rule of law and ensure that these norms and international orders are maintained and respected?

And I suppose my question is why is that the question that's asked? Why is it the admirably vivid question that's asked, are we going to fight over rocks and reefs? And should the American government be doing more to educate the American people as to what interests are at stake in this region and why it's important to maintain these alliances, relationships, and international norms?

DR. DEAL: It's an excellent question. I believe unfortunately that the question, that the reason that it's restated and asked so often is because the Chinese have successfully waged a political warfare, information warfare campaign, to frame it that way, and we've taken their framing.

I know you've done other hearings on Chinese propaganda and political warfare, and you know it's a real thing, and I think this is an example of where it's been very effective and very pernicious because--but we haven't, we haven't come up with a way to be that vivid and concrete about what's really at stake, but just saying a bunch of juxtaposing World War III and a bunch of rocks and reefs, it's hard to counter that.

But people aren't educated, and there was an article that came out by I think one of Dr. Rapp-Hooper's colleagues, a naval officer at CNAS, Captain Shugart, who actually talked about the size of some of the facilities that the Chinese are building in the South China Sea that rival Pearl Harbor or major American cities. They're huge. They're just not bunches of rocks and reefs in the South China Sea.

And the Senkakus, even though they are rocks over the water, the position and the history behind them and the symbolism and the connection to other positions in the Ryukyu goes a lot, it's much deeper and it's very important. But, unfortunately, I think the combination of American lack of understanding or education, ignorance about this, and political warfare from the other side that's been quite effective leaves people saying of course we're not going to fight over a bunch of rocks and reefs.

DR. GREEN: And if I could on this question. It's an important one. The first point I make is China is engaged in information warfare. They're using the Propaganda Department and so on. But I don't think they're winning the information war in Asia. I really don't.

If you look at the tribunal decision when it came out, the U.S., Japan, Australia, put out strong statements. ASEAN couldn't because, as Mira Rapp-Hooper pointed out, you can buy Cambodia for \$600 million, and it's a consensus organization.

I was in Cambodia in July when this happened, and Hun Sen's spokesman went in front of the press and literally said, hey, \$600 million is a lot of money. So but in terms of, in terms of the aftermath of that tribunal decision, the result was a declaratory policy and operational moves among the major powers, Japan, U.S., Australia, and in parallel with India, particularly with us and with Japan, that cost China.

Now I agree completely with other panelists that we have not invested in the capabilities we need. As I said, we have command and control and readiness issues. We have huge challenges. We've not demonstrated our risk tolerance. I think we all agree on that.

But in terms of the information war, I'm not sure we're doing that badly with respect to the South China Sea. The question is are we willing to do something about it, but that's a slightly different question.

The other point I make, and it's completely self-serving, but the most effective sort of information piece we may have had, and here I'm going to, you know, pat me and Rapp-Hooper essentially on the shoulder, but CSIS has this website, the Asian Maritime Transparency Initiative. Mira helped to start it. It's been on the front page of every major daily pretty regularly showing with satellite images what China is building in the South China Sea--the ranges of the airfields.

And I'm not saying this because we need more funding and from the Congress, but it's worth asking in an open democratic society what's more effective, media, civil society reaching out and carrying this message, or the U.S. government? The answer is really both, but we operate with a different system from the Chinese. So we need to think about our information warfare in terms of our homefield advantage, which is an open society with access to information debating, and, oh, by the way, we have--Mira will remember--we have a huge social media following for this website. Almost half are in China.

We're illuminating this to the Chinese. They're not blocking the website interestingly in ways that matter a lot. Is the Chinese argument penetrating the U.S. public? I'm not so sure. So we have a lot of catching up to do, but we do have strengths that do come with being an open and democratic society where information is accessible and can be shared.

DR. RAPP-HOOPER: I'd love to just add a couple of broader points to your very important question. I think at the point that we ask ourselves are we going to fight a war over rocks and reefs, we ask it that way because we've already answered the question, and of course the answer is no.

If you reduce the object to something that the United States clearly does not have an inherent deep national interest in, you've predetermined the outcome. And exactly as you say, I think it's essential to view the South China Sea and the rest of the maritime periphery and the Western Pacific as issues of international law and international order.

But when it comes to speaking to the American people, and particularly having these conversations outside of Washington, even just speaking in terms of the international order may not really be getting us far enough. The international order is something that we all understand. We know that we're referring to the slew of norms and treaties and regimes that have comprised U.S. leadership since 1945, but it's not actually a particularly concrete thing if you're not a foreign policy professional or a policy professional of another stripe.

So I think it is more broadly incumbent upon those of us who work in U.S. foreign policy in the public eye, but also upon our policy leadership, to think about how we frame our international interests in much more concrete terms to make them tangible to the American people.

When it comes to the United States and the South China Sea, for example, we are talking about securing American economic interests and the free flow of commerce, and we're talking about protecting U.S. allies who we have chosen to extend security guarantees to because we have calculated for the last 70 years that forward defense helps us to prevent ourselves from having to face threats to the homeland.

This was a grand strategic decision made after World War II that still remains as relevant

as ever today. And in Asia, it's arguably even more relevant. So I would make the broader point that the return of geopolitics and great power competition in the 21st century actually requires both scholars and practitioners of policy to restate U.S. foreign policy interests from first principles if we are to make them tangible to the American people.

HEARING CO-CHAIR GOODWIN: And let's see--

DR. DEAL: Can I just add one thing to that?

HEARING CO-CHAIR GOODWIN: Very quickly. We've got a couple more questions to get to.

DR. DEAL: It's all still abstract unless you say somebody is threatening it. And so then you have to be willing to say China is threatening it, China is undermining international order, and China is the potential enemy we would face if we have to fight World War III. Because until you say that, it's still a bunch of principles.

So if you don't lay out the threat that they're posing, their manipulation of free trade or exploitation of the system and undermining of it, their disregard for international law, their threats to our allies--and then you have to actually decide what are our grand strategic interests in East Asia, and that's a question for people at a much higher pay grade, but it was raised at the previous panel too.

We have to decide how much do we want to defend there, and how much do, you know, for American security purposes, what is the importance and what are our goals? But once we decide that it is very important and we do have concrete goals, I think we have to be very explicit about the challenge, the threat.

HEARING CO-CHAIR GOODWIN: Thank you.

Dr. Wortzel.

COMMISSIONER WORTZEL: At a hearing in the Armed Services Committee, Senators McCain and Cotton--I think Admiral Harris was testifying at the time--suggested that Article V of the U.S.-Philippine Mutual Defense Treaty should apply to the Sierra Madre as a warship and by extension the Second Thomas.

I think Admiral Harris said something like that is worth examining. You know, he made no firm commitment. But that would be a start at a declaratory policy. So I guess, Mira, you're the one who was looking for declaratory policy. If you had to draft a declaratory policy on the South China Sea, what would it be?

DR. RAPP-HOOPER: Well, the second part of that question is a much bigger task, but I'll start by addressing the first part, which is to say that I think the issue of the Sierra Madre is actually a question of whether it already applies, whether the Mutual Defense Treaty already applies to the Sierra Madre as opposed to whether that may be a change in declaratory policy?

Of course, you're referring to the part of the U.S.-Philippines Mutual Defense Treaty which says that the treaty applies to troops and vessels underway. And the reason that this is a concern at Second Thomas Shoal is because the Sierra Madre is a grounded military vessel that was underway when it was beached on the shoal.

So there is, you know, a reasonable amount of concern that we could interpret that as saying that the U.S. defense treaty already applies there.

I think that it is the case across the board, both for better and for worse, that U.S. security guarantees are written in incredibly vague language, and part of the reason for that is that they were meant to endure for a very long time, and to give our political leaders leeway to interpret

the situation and understand the need to avert the crisis without being precommitted to a specific contingency ahead of time.

And I think that still remains true, but there is no question that if there was some sort of crisis around the Sierra Madre, there would be a question of whether or not the Mutual Defense Treaty already applied there by virtue of that "vessels underway" type language.

When it comes to a broader crafting of a declaratory policy, I will not attempt to craft one right here. I will say that I do think it is something that needs to be the result of a thorough policy review where geostrategic objectives in the South China Sea are identified, and at the very least, it should both include a reaffirmation of the principles for which we have stood for a very long time in the South China Sea but a more specific list of behaviors that would result in definitive U.S. action.

And it's worth noting that definitive U.S. action need not necessarily mean that we've drawn a red line which is going to result in the use of force, but rather would result in some other form of U.S. intervention, be it, you know, economic, something else to that effect, but we have tools at our disposal beyond the use of conventional military force to respond to untoward actions that could be a part of a broader declaratory policy in the South China Sea if, for example, we wanted to discourage other actors from taking new territory or making certain types of military deployments.

HEARING CO-CHAIR GOODWIN: Doctors, I'd like to thank you all for your time today. Excellent testimony. Very informative. And all of our witnesses today. I think it's been a very productive hearing.

I'd like to remind everyone that the Commission's next hearing is scheduled for May 4th on China's Information Controls, Global Media Influence and Cyber Warfare Strategy, and hope to see everybody there.

We're adjourned. Thank you.

[Whereupon, at 3:18 p.m., the hearing was adjourned.]