

# The Long Littoral Project: Summary Report

## A Maritime Perspective on Indo-Pacific Security

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# Introduction

This is the sixth and final report associated with an 18-month study by CNA to explore the security situation that the United States faces as it disengages from major ground combat in Afghanistan and evolves toward more of an off-shore strategy. The project was named the “Long Littoral” because it refers to the vast Indian Ocean-Pacific Ocean littoral that stretches from the Gulf of Aden to Russia’s Kamchatka peninsula. The project adopted a maritime perspective because it was clear at the beginning of the project that the Obama Administration was focused on disengagement from Afghanistan, and was determined to avoid any new long-term commitment of ground forces, especially in Eurasia. In our view, this translated to a future strategic posture that was inherently maritime oriented. That being the case, the project adopted a novel approach by exploring security issues from the perspective of the five great maritime basins that make up the long littoral—the Sea of Japan, the East China and Yellow seas, the South China Sea, the Bay of Bengal, and the Arabian Sea. It yielded monographs on each of these basins.<sup>1</sup>

The Long Littoral project was underway well before the Obama administration announced its pivot to Asia in October 2011, and rebalance in January 2012. But this strategic transition was clearly foreshadowed by the administration’s actions and statements that influenced our approach to the effort. Perhaps the best example was the speech that former Secretary of Defense Gates made in early 2011, when he forecast the nation’s future environment as one in which “the most plausible, high-end scenarios for the US military are

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1. Sea of Japan, <http://www.cna.org/sites/default/files/research/IRP-2013-U-002322-Final.pdf>; South China Sea, <http://www.cna.org/sites/default/files/research/IRP-2013-U-2321-Final.pdf> ; Arabian Sea; <http://www.cna.org/research/2012/long-littoral-project-arabian-sea> East China Sea; <http://www.cna.org/research/2012/long-littoral-project-east-china-yellow-seas> Bay of Bengal; <http://www.cna.org/research/2012/long-littoral-project-bay-bengal>

primarily naval and air engagements—whether in Asia, the Persian Gulf or elsewhere.” He went on to say that the odds of the United States becoming involved in invading, pacifying, and administering another large third-world country like Iraq or Afghanistan were remote. This speech, made over two years ago now, was the clearest indication that U.S. defense strategy was evolving toward one which would focus on maritime and air presence postured offshore, along the littoral of Eurasia.<sup>2</sup>

While American ground force involvement in greater Asia is on a trajectory leading to disengagement from Afghanistan, the United States is also in a period in which efforts to reduce the country’s budget deficit have become a shared bipartisan objective. Reaching that objective, however, has engendered a bitter partisan debate, which, because of “sequestration,” may result in even greater defense appropriation reductions than those already planned by the Obama administration. It remains uncertain what impact sequestration—which Secretary of Defense Panetta called a “mindless mechanism”—might have on the security posture of the United States.<sup>3</sup> But, no matter which party’s vision of how to address the deficit prevails, it is certain to result in fewer resources available for U.S. forces and likely for partner capacity building along the “long littoral” of greater Asia.

The task that the Obama administration is embarked upon is to craft policies that will maximize American influence and provide security partners with a reassuring offshore presence, giving them commercial and diplomatic “maneuvering room” in the face of rising regional powers. To that end, the concept for the project included the hypothesis that it would be important for policy-makers to consider the “long littoral” through a new, holistic, paradigm that would comprehensively examine nested and overlapping interests, potentially destabilizing factors, and internal and external power rivalries. In other words, in addition to the central objective of exploring the long

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<sup>2</sup> Robert Gates, speech delivered at the United States Military Academy, West Point, NY, February 25, 2011, [www.defense.gov/speeches/speech.aspx?speechid=1539](http://www.defense.gov/speeches/speech.aspx?speechid=1539).

<sup>3</sup> Leon Panetta, “The Force of the 21<sup>st</sup> Century,” speech at the National Press Club, Washington, DC, December 18, 2012, [www.defense.gov/speeches/speech.aspx?speechid=1742](http://www.defense.gov/speeches/speech.aspx?speechid=1742).

littoral through the lens of its maritime basins, we also planned to assess whether it made good policy sense to treat the Indo-Pacific Ocean, the “long littoral,” as a strategically coherent entity. An embedded issue in this assessment was how to reconcile such a new conceptual framework with the existing, and still very important, geographic perspective that considers the idea of the Asia-Pacific as the principal strategic paradigm that shapes American Asian policy.

## Project assumptions

This project accepted as a given that the economic and political integration of Asia is growing. Asia’s new regionalism is slow but real. It especially reflects the reintegration of what could be considered “maritime Asia,” which is the result of globalized trade patterns and energy resources that travel largely by sea.

We also accept that over the next 30 years the economies of China and, possibly, India are expected to surpass that of the United States in size—although not in per capita GDP—thus giving these governments increased regional and global influence.

Our third given is based on the reality that while the United States has long believed that avoiding land wars in Asia was strategically sensible, it has a track record of forgetting that maxim when the demands of perceived national interests at the time have intruded—as evidenced by its involvement in Korea, Vietnam, and Afghanistan. Nonetheless, we believe that when it comes to security issues along the long littoral, the defacto policy of the Obama administration is summed up by Secretary Gates’ observation that “in my opinion, any future defense secretary who advises the president to again send a big American land army into Asia or into the Middle East or Africa should have his head examined.”<sup>4</sup>

Our fourth given was that over the next few years the United States will have disentangled itself from routine combat operations in Afghanistan—having left Iraq in December 2011, shortly after the project began. This means that, while a residual training establishment will probably remain in Afghanistan for some time, these two con-

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<sup>4</sup> Gates, West Point speech, 2011.

flicts will finally stop being the centerpiece of America's U.S. security strategy for Eurasia.

A fifth given in our judgment was that this withdrawal would not mean that America would turn its back on the Persian Gulf. Even if America wished to do so, the problems of Iran, of access through the Strait of Hormuz, and of stability along the Arabian Peninsula, are not likely to moderate over the near term; thus, this portion of the long littoral is going to continue to demand U.S. military presence.

Finally, we assumed that legislation of one sort or another would reduce the U.S. defense budget as part of how the country decided politically to begin to reduce the huge national debt. In turn, this would have a major impact on how the United States went about meeting its security responsibilities along the long littoral. When the project commenced, the prospect of major sequester-driven reductions was not an issue. But, indeed the sequester did happen, and, despite the administration's reassurance that the military posture in East Asia is "protected" from cuts, its impact on the rebalance to Asia has yet to be understood.

## Report organization

The five individual maritime basin monographs produced by the Long Littoral project total 320 pages.<sup>5</sup> This report extracts the security finding(s) from each of these individual monographs and, after a very brief introduction, presents them as individual chapters. The first chapter analyzes the central issue that the Long Littoral project sought to address: whether an "Indo-Pacific," as opposed to an "Asia-Pacific," orientation is becoming a strategic paradigm for the 21<sup>st</sup> century, and if so, whether the U.S. government interagency policy process is organized to ensure that Indo-Pacific strategy and regional policy are properly aligned. The summary chapters are then followed by some concluding observations.

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<sup>5</sup> For all five CNA Long Littoral reports, go to: <http://www.cna.org/long-littoral>.

# Chapter 1. The central argument: Has the Indo-Pacific littoral become the strategic paradigm for Asia?

A central argument of the Long Littoral project was that a combination of factors made it reasonable to think about the Indian and Pacific oceans' littoral regions as a comprehensive strategic entity. The major factors in this hypothesis were: (1) the process of greater Asian integration, primarily economic and trade, but also to some degree political; (2) the strategic partnership that the United States has with India; and (3) the winding down of America's ground combat activity in Iraq and Afghanistan.

To many analysts and strategists, one major implication of these factors was that, as a minimum, the Indo-Pacific was evolving toward a single maritime theater. From the perspective of U.S. Pacific Command, this concept is neither novel nor a surprise, since much of the Indian Ocean itself and its littoral states have always been in its area of responsibility (AOR).<sup>6</sup> But to those who were seized with the idea of making sure that India was "connected" to a traditional Asia-Pacific policy orientation, a second major implication was that the U.S. government's military, policy, and diplomatic policy organs were mal-organized and would be unable to adapt to the contours of a more integrated Asia, and as a result would become less effective in helping manage U.S. interests in the region's future. The critique by one former official was that:

For Washington, the problem is at once intellectual, strategic, and bureaucratic. Intellectually, the United States still

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<sup>6</sup> Indeed, recently, Admiral Samuel Locklear, USN, the current Pacific Command commander, refers to his area of responsibility as the Indo-Asia-Pacific in his 2013 posture report to Congress. By adding "Indo" to his traditional Asia-Pacific focus, he more accurately characterizes his responsibilities for much of the Indian Ocean, as well for the states of South Asia from the Pakistan-India border eastward.

has three separate foreign policies in Asia – one for East Asia, another for South Asia, and a third for Central Asia (which it scarcely regards as a part of Asia at all). As Asia re-integrates, then, the United States is too often stuck in an outdated mode of thinking.<sup>7</sup>

## The Long Littoral from a maritime perspective

The map below is intended to remind the reader of the vastness of the region we have characterized as the “Long Littoral.”



Looking at this area from a maritime perspective, it becomes apparent that problems of the same nature (e.g., territorial disputes, conflicting maritime claims, naval rearmament, sea lanes essential to the continued success of the globalized countries and of course state-to-

<sup>7</sup> Evan A. Feigenbaum, “Why America No Longer Gets Asia,” *The Washington Quarterly*, Center for Strategic and International Studies, Spring 2011 34:2 pp. 25-43 (26-27), [http://www.twq.com/11spring/docs/11spring\\_Feigenbaum.pdf](http://www.twq.com/11spring/docs/11spring_Feigenbaum.pdf).

state competition) exist in all of five great maritime basins. But, one of the central insights gained during this project was that the particulars in each case are so diverse that it would be a mistake to attempt to generalize beyond the fact that sovereignty disputes over islands, rocks, and shoals in the South and East China seas, and the Sea of Japan appear to be intractable. China is particularly strident in insisting that its claims are “indisputable,” and over the past 18 months has shown a willingness to use coercive measures whenever the opportunity presents itself to alter the status quo in its favor. But Vietnam, Japan, and South Korea are equally tough minded about their claims; in no case are any of the parties to these disputes that are currently in effective control of a land feature willing to use the International Court of Justice (ICJ)<sup>8</sup> to resolve the sovereignty issue. This observation applies to China’s claim to the Paracels, Japan’s claim to the Senkakus, South Korea’s claim to Dokdo, and Russia’s claim to the Northern Territories. It also applies to all parties who have claims to all or some of the Spratlys.

Unlike the Western Pacific, the Indian Ocean littoral is free of tension-inducing maritime sovereignty claims. The one area that has a maritime dimension, because of its implications for exclusive economic zones (EEZs), is the area around Sir Creek on the Indo-Pakistan border. This area has been quiet since 1999, and, of the three Indo-Pakistani territorial disputes (Kashmir and Siachen are the others), Sir Creek has the best chance for near-term resolution.

In fact, except for the problem that Iran poses with its nuclear weapons program and attendant concerns regarding the maintenance of predictable and secure access for oil tankers through the Strait of Hormuz, the Indian Ocean littoral is free of the sorts of security problems that could involve the United States in a conflict with a regional power. This is not to say that there are no problems that generate a requirement for off-shore forces, because there are. Dealing with terrorists in Yemen and Somalia has created a requirement for off-shore naval support, and of course, the piracy problem in the Gulf of Aden

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<sup>8</sup> The Internal Tribunal for Law of the Sea (ITLOS), which sits in Hamburg, Germany, is not authorized to explore sovereignty issues, because the UNCLOS treaty does not address sovereignty. In other words, ITLOS has no jurisdiction when it comes to sovereignty.

and Northern Arabian Sea, which overlaps with the Somali problem, has involved the naval forces of many countries. Finally, it is likely that a natural disaster in the Bay of Bengal will create a demand for U.S. military humanitarian assistance. These issues or concerns are being managed, but, again, with the exception of Iran and the Strait of Hormuz, they are not as consequential in terms of the stakes involved as those that Washington faces in the Western Pacific.

When comparing each ocean littoral region against the others, it is clear that there are security problems along the Western Pacific littoral that pose a direct challenge to important U.S. interests. The Taiwan issue, the Senkakus dispute, and the Korean peninsula tensions all have the potential to involve the United States in direct conflict with either China or North Korea. In each of these maritime security problems, the potential for U.S. involvement is a direct result of alliance or legal security obligations.<sup>9</sup> The United States could also become directly involved in the South China Sea because of our mutual defense treaty with the Philippines. While this is far less probable than involvement due to the three flashpoints just mentioned, it cannot be ignored.

In truth, it was the emergence of India as a strategic partner, and the concomitant development of a sustained Indo-U.S. security relationship, that led U.S. government policy officials to begin thinking about the interconnectedness of the Pacific and Indian oceans. This has not as yet led to a reconceptualization of traditional U.S. security paradigms—that is, an expansion of the conceptual framework westward from the boundaries of today’s Asia-Pacific, which ends at the western

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<sup>9</sup> U.S. involvement in a China-Taiwan conflict would not be because of a formal treaty obligation. It would be legally justified because of the Taiwan Relations Act (TRA), legislation passed when Washington derecognized the Republic of China (ROC) and recognized the People’s Republic of China (PRC). This caused the United States to abrogate its Mutual Defense Treaty with the ROC. The TRA provides an implied guarantee of U.S. military involvement should China attack Taiwan. That said, the United States has made clear that any decision on involvement would be made in the context of actual events. Given the significance of a decision to enter into war against China, it not only would not be automatic, it would clearly involve consultation between the president and Congress.

extremity of ASEAN (the Burma-Bangladesh frontier), to a broader Indo-Pacific orientation that, at a minimum, would end at the India-Pakistan border.<sup>10</sup> U.S. policy-makers have not been blind to possibilities of an Indo-Pacific nexus that included India. For example, former Under Secretary of Defense for Policy Michèle Flournoy suggested that US policy should conceptually think about the East Asian and Indian Ocean littorals as an entity, rather than treat them as separately. In a speech to the Asia Society in July 2010, Flournoy stated:

The Obama administration is committed to strengthening regional partnerships, to build an international system capable of addressing the challenges that have no respect for borders... In Asia, this means it no longer makes sense to discuss this increasingly interconnected region in terms of East Asian security, or South Asian security.<sup>11</sup>

Although her speech focused on the rise of India and its deepening relations with the United States, she was also encouraging a new way of looking at the region that transcends bureaucratic limitations and involves considering the “Long Littoral” as a coherent whole.

Two works by Robert Kaplan—*Monsoon: The Indian Ocean and the Future of American Power*, and *Revenge of Geography: What the Map Tell us About Coming Conflicts and the Battle Against Fate*—are, in combination,

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<sup>10</sup> One of the practical impediments to thinking about the Indo-Pacific littoral as a comprehensive strategic entity is the fact that it does not fit neatly into how the U.S. military has divided the globe into different areas of responsibility. In the case of the long littoral both Pacific Command (PACOM) and Central Command (CENTCOM) have responsibilities for South Asia. The dividing line is the India-Pakistan border. India is in PACOM and Pakistan is in CENTCOM. This greatly annoys Indian leaders, who for obvious reasons want greater insight into U.S. military dealings with Pakistan. The Unified Command Plan (UCP), which is the “bible” for geographic responsibilities, further divides the Indian Ocean between PACOM, CENTCOM, and the relatively newly created Africa Command (AFRICOM).

<sup>11</sup> Michèle Flournoy quoted in Jim Garamone, “Flournoy Notes India’s Growing Role as Security Partner,” American Forces Press Service, Washington: July 1, 2010, <http://www.defense.gov/news/newsarticle.aspx?id=59868>

the most exhaustive exploration of the geo-strategic and civilizational linkages that create a long littoral. Kaplan points out that while Asia has traded with the Middle East for centuries, what is different today is that the growth of Asia's economies (particularly that of India, China, Japan and South Korea) have established ties between East and South Asia and the Middle East—especially with the oil producers that line either side of the Persian Gulf—and, as a result, have triggered a wave of economic activity that has brought Asian labor and technical know-how to the region in an unprecedented fashion.<sup>12</sup>

In short, largely because of economic and financial arrangements, the Indo-Pacific region is gradually becoming more integrated. It is also inexorably becoming more politically intertwined thanks to the plethora of ASEAN sponsored institutions that, while they do not reach all the way to the western end of the “long littoral,” do stretch from India to Russia's Pacific coast.

The triangular relationship between the United States, China and India must also be taken into account when conceptualizing an Indo-Pacific strategic entity. Neither India nor the United States want the Indian Ocean to become a “Chinese lake.” But Indian apprehensions about China's long term ambitions in the Indian Ocean are offset by its worries about the reliability of the United States as a long term partner, namely, that in a showdown with China the US would abandon India. As a result India does not want to be seen by the Chinese as forming an anti-Chinese *entente cordiale* with the Washington.

## Contradictions

It is important to recognize the contradiction between an Indo-Pacific strategic orientation and the reality that Washington's strategic paradigm remains firmly rooted along an Asia-Pacific axis, rather than an Indo-Pacific one. This is understandable given the geographic orientation of North America and East Asia and the over 200 years of trans-Pacific contact between the two regions. The traditional trans-Pacific preoccupation of American strategists and policy-makers is captured most clearly in President Obama's November 2011 speech

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<sup>12</sup> Geoffrey Kemp, *The East Moves West: India, China, and Asia's Growing Presence in the Middle East*, Brookings Institution Press, 2010.

to the Australian Parliament. Speaking in a country whose west coast fronts the Indian Ocean, the president spoke repeatedly about the Asia-Pacific, saying at one point:

Our new focus on this region reflects a fundamental truth—*the United States has been, and always will be, a Pacific nation.* Asian immigrants helped build America, and millions of American families, including my own, cherish our ties to this region. From the bombing of Darwin to the liberation of Pacific islands, from the rice paddies of Southeast Asia to a cold Korean Peninsula, generations of Americans have served here, and died here—so democracies could take root; so economic miracles could lift hundreds of millions to prosperity. [Emphasis added.]

Here, we see the future. As the world’s fastest-growing region—and home to more than half the global economy—the Asia Pacific is critical to achieving my highest priority, and that’s creating jobs and opportunity for the American people.<sup>13</sup>

## **U.S. military posture along the Indo-Pacific**

Once the withdrawal from Afghanistan is complete, the U.S. military footprint along the long littoral will be predominately expeditionary in nature. “Expeditionary” connotes forces that can easily move across large swaths of ocean to deter aggression, respond to “hot spots,” show support for friends and allies, train with friends, build partner capacity, and provide assistance in the aftermath of natural disasters, such as those that plague the nations of the long littoral. With the exception of a substantial U.S. Army presence in Kuwait and Korea, all of the U.S. forces along the long littoral—the Navy, Air Force, and Marine Corps—are operationally flexible. From their forward bases in Japan, Guam, Singapore, Northern Australia, Diego Garcia, and Bahrain, they can promptly respond to crises anywhere along the Indo-Pacific littoral region. This posture presents Washington policy-makers with a range of “off-shore options” to select from when the use of U.S. military forces is deemed appropriate.

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<sup>13</sup> Office of the Press Secretary, Remarks By President Obama to the Australian Parliament, November 17, 2011, <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>.

## In summary

The Long Littoral project explored the geostrategic logic of considering the Indo-Pacific littoral as a comprehensive strategic entity. It found that this logic would only be practically applicable to locations where America's forward-deployed military forces either are stationed or routinely operate during rotational deployments from the United States. It does not, as we have come to understand over the past 18 months, a compelling logic worthy of a reorientation of America's traditional approach to Asia security; nor should it. Our exploration of the issues found in each of the maritime basins along the long littoral has not uncovered any new or emerging problems of sufficient gravity to suggest a major focus on integrating the Indian Ocean into U.S. Asia-Pacific strategy.

The desire to make sure that India is routinely included in America's conceptual approach to Asia is sensible, but neglects a central consideration: What is India's strategic vision? Does India want the United States to become an arbiter of security policy in the Indian Ocean? Indications are that this is not what New Delhi has in mind, and that it does not want or intend to become Washington's "deputy sheriff" in the Indian Ocean. This of course is exactly what the presidentially approved national defense strategy implies when it states:

The United States is also investing in a long-term strategic partnership with India to support its ability to serve as a regional economic anchor and *provider of security in the broader Indian Ocean region*.<sup>14</sup> [Emphasis added]

This is the strongest possible statement in support of the Indo-U.S. strategic partnership, but as the idiom has it, "it takes two to tango." While India may be gratified that the Washington is empowering it to act in what it has long considered its own backyard, there is little indication that India is the least bit interested in doing anything other than looking after its own interests in the Indian Ocean – interests that may or may not coincide with Washington's. Nor does India necessarily share the vision of the Indo-Pacific as a coherent strategic en-

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<sup>14</sup> Leon Panetta, "Sustaining US Global leadership: Priorities for 21<sup>st</sup> Century Defense," January 5, 2012, [http://www.defense.gov/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/news/Defense_Strategic_Guidance.pdf).

tity. For example, India's current National Security Advisor, Mr. Shivshankar Menon, recently commented:

It is also my personal view that the Indo-Pacific is not one geopolitical unit although security is indeed linked across the seas and oceans that encircle the Asian landmass. In geopolitical terms, and in terms of the naval capabilities of the different navies other than the US that operate between Suez and Hawaii, this space still consists of three distinct areas: the Indian Ocean, the western Pacific, and the seas near China (namely, the South China Sea, the East Sea and the Sea of Japan).

The reason I cavil about calling the Indo-Pacific one space is because if we do, there is danger of prescribing one medicine for the different security ailments that afflict the Indian Ocean, the seas near China, and the western v Pacific.<sup>15</sup>

The concept of the "long littoral" is a way to describe the interconnectedness of the Indian and Pacific Oceans; it is an accurate way to describe the AOR of the U.S. Pacific Command; it is a good way to make certain that India is included when thinking about Asia; it is a useful way to characterize how U.S. forces are postured from Kuwait to Japan; and it is a good conceptual way to consider the maritime implications of the process of economic, societal, trade, and, to a lesser degree, political integration that is taking place across Asia today. Nevertheless, in terms of the security challenges the United States faces, it is not yet a compelling enough paradigm to supplant the predominant Asia-Pacific focus of U.S. national strategy. Nor is it compelling enough to recommend a reorganization of the Asian policy bureaucracy within the U.S. government.

In sum, over the next 10 to 15 years, the strategic orientation of the United States may evolve to something like an Indo-Asia-Pacific orientation, but today such a formulation does not capture the basic strategic orientation of U.S. political, economic, or security policy. These policies remain firmly rooted in the Asia-Pacific paradigm.

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<sup>15</sup> <http://www.orfonline.org/cms/export/orfonline/documents/Samudra-Manthan.pdf>.

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## Chapter 2. The Arabian Sea

The monograph on the Arabian Sea includes papers by Dr. Michael Connell, Director of CNA's Iran Studies Program, Dr. Martin Murphy of the U.S. Atlantic Council, and Dr. Satu Limaye, Director of the East West Center's Washington, DC, office. It explores in depth the most consequential security issues associated with the Arabian Sea littoral: the issue of Iran and its potential threat to the Strait of Hormuz, the problem of piracy off of the Somali littoral, and the maritime rivalry between India and Pakistan. The findings from this analysis, which was completed in December 2012, are presented below in this topical order.



### Research findings: Arabian Sea and the Strait of Hormuz

The Arabian Sea is home to one of the two most potentially serious flashpoints<sup>16</sup> along the long littoral. The possibility of a conflict with Iran over its nuclear program looms large, as does a fear that Iran will close the Strait of Hormuz (SOH). Closing the strait would have a

<sup>16</sup> It's pretty clear now that North Korea is just as serious, if not more so.

major impact on the world petroleum market. In 2011, total world oil production amounted to approximately 88 million barrels per day (bbl/d), over one-half of which was moved by tankers. The international energy market is dependent both on reliable transport and on open chokepoints that funnel maritime traffic through narrow corridors. These chokepoints are of strategic significance: they are within easy range of shore-based threats (from Iran, in the case of the Strait of Hormuz, or from other states or terrorist groups) and, since they concentrate ships in relatively small areas of the world's oceans, it is easier for those threats to find maritime targets there. Also, the blockage of a chokepoint, even temporarily, could lead to substantial increases in total energy costs.<sup>17</sup>

**The Strait of Hormuz is the world's most important oil chokepoint.** Each day, 17 million barrels of oil (up from between 15.5 and 16.0 bbl/d in 2009-2010) flow through the strait to the Arabian Sea bound for markets around the world. According to the U.S. Energy Information Administration, in 2011 flows through the strait accounted for approximately 35 percent of all seaborne-traded oil, or slightly more than 20 percent of all oil traded worldwide.

Some 33,000 ships transit the Strait of Hormuz every year—an average of 90 ships every day, or about 4 an hour. Not all of these are tankers; on average, 28 tankers (14 outbound and 14 inbound) transit each day. Most (85%) of this oil is destined for Asia, with India, Japan, South Korea, and China being the major recipients. If the strait were closed for any time, pipelines from the Gulf would not have the capacity to compensate. The 745-mile-long trans-Saudi pipeline to the Red Sea has a maximum capacity of about 5 million bbl/d, and the recently completed pipeline from Abu Dhabi to Fujairah, UAE, on the Arabian Sea has a capacity of 1.5 to 1.8 million bbl/d.

Thus, if the Strait of Hormuz were closed, around 7 million bbl/d of Persian Gulf oil would be available to the world. That would leave a global shortfall of about 10 million bbl/d. Only the strait is held hos-

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<sup>17</sup> Energy Information Administration (EIA), "World Oil Transit Chokepoints," *EIA Country Analysis Briefs*, December 30, 2011, update, [www.eia.doe.gov](http://www.eia.doe.gov).

tage by both geography and a regime increasingly at odds with much of the world.

**The Strait of Hormuz is vulnerable.** The geography and bathymetry of the SOH are what create its vulnerability. The strait is relatively narrow, only 21-35 miles wide at its narrowest point. It is relatively shallow, at an average of about 160 feet (deeper toward Oman, shallower toward Iran). But the biggest problem is that it is 90 miles long—a tanker moving at a typical transit speed of 15 knots takes about 6 hours to complete the passage; this is a long time to be “under the Iranian gun.”

**Iran has the capability to close the Strait of Hormuz.** Iran has capitalized on its geographic advantage by investing in military capabilities that are well suited to the mission of closing the strait and simultaneously complicating U.S.-led efforts to reopen it. It combines traditional area-denial systems, such as mines and submarines, with modern anti-ship cruise missiles and swarm-boat tactics that collectively present a formidable denial capability. There is a general consensus among civilian analysts that Iran has the capability to disrupt the flow of shipping in and out of the Persian Gulf, just as there is a consensus that the United States and its allies could restore the flow of traffic. At issue is how long Iran could keep the SOH closed. There are a great many variables, and military assessments are understandably classified. Civilian analysts working with open-source material have made educated guesses that range from days to weeks, and perhaps even months, for outside forces to restore peaceful transit of the Strait of Hormuz.

An analysis of how such a scenario might unfold is beyond the scope of this report, but the key tactical problem would be clearing a transit lane of mines so that shipping could proceed. That in turn would require the suppression of Iran’s road-mobile anti-ship cruise missile batteries so that mine clearance ships could operate without being destroyed by those missiles. Iranian truck-mounted cruise missile batteries would probably be attacked by U.S. tactical aircraft, which in turn would require the destruction of Iranian anti-aircraft systems. An American strike would therefore be a complex air-sea operation,

which could probably also involve using Marines to seize the Iran-occupied islands that are in the midst of the shipping channels.<sup>18</sup>

**Would Iran be willing to close the strait?** Between December 2011 and January 2012 several Iranian officials openly threatened to close the Strait of Hormuz if sanctions were imposed on Iran's oil exports. As of this writing, sanctions have been put in place on Iran's oil exports, but the Iranians have not acted on their threats. This could be for a number of reasons: perhaps they were bluffing in the first place, intending to heighten anxiety, and potentially drive a wedge between the United States and its friends and allies in the Gulf; perhaps they are reluctant to risk triggering a conflict with the United States and many other countries that depend upon Gulf oil; or perhaps Tehran does not believe it has all the capabilities that are needed to credibly execute such a closure plan.

Closing the strait would cause tremendous economic harm to Iran itself. About 16 percent of oil exported by the SOH is Iranian. By volume, roughly 87 percent of Iran's exports and 90 percent of its imports transit the SOH. Iran relies on imports of refined petroleum, mostly from India, that flow via the SOH. About 76 percent of its export earnings and 62 percent of its government revenues come from oil exports. Therefore, despite the warnings of Iranian officials, Iran is unlikely to take this course of action precipitously. Experts think the Iranians would seriously consider impeding the flow of traffic through the SOH only if they perceived a threat to regime survival; it remains to be seen whether the impact of new sanctions on oil exports would eventually pose such a threat.

**The Carter Doctrine is still a cornerstone of U.S. strategy in the Persian Gulf.** While the geostrategic alignment of powers, friends, and allies has changed since the Carter Doctrine was declared, today its message remains relevant—the United States continues to consider the stability and access of the region to be a vital U.S. interest.

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<sup>18</sup> See Caitlin Talmadge, "Closing Time: assessing the Iranian Threat to the Strait of Hormuz," *International Security*, Summer 2008, pp. 82-117, and William D. O'Neil and Caitlin Talmadge, "Costs and Difficulties of Blocking the Strait of Hormuz," *International Security*, Winter 2008/09, pp. 190-198.

**Reassurance plays a central role in U.S. strategy.** The Persian Gulf is halfway around the world from the United States, and U.S. dependence on oil from the Gulf has been declining dramatically since 1980. Washington has to persuade its friends in the region that the United States is willing to fight in support of undemocratic Arabian Peninsula monarchies that face the possibility of direct destabilization, or worse, by the revolutionary Iranian regime. U.S. reassurance must be based on a combination of deterrent understandings with Gulf monarchies, capacity building through the sale of high-end weapons systems, and a significant military presence in the Gulf and Northern Arabian Sea.

**No country other than the United States can play a major role in the security of the Persian Gulf region.** The key security issues—managing Iraq’s transition, balancing Iran, dealing with Iran’s nuclear weapons program, and taking decisive action should Iran attempt to close the Strait of Hormuz—have not gone away. For the foreseeable future, the United States cannot divest itself of these responsibilities.

## **Research findings: Piracy in Arabian Sea**

**Over the past 14 months, the piracy problem in the Arabian Sea has improved substantially.** This improvement is due to three factors. First is the success of naval forces in either preventing hijacking in the first place or recapturing ships that had been seized by pirates. Second is the widespread adoption of the passive protective measures codified in the Best Management Practice (BMP) provided by the International Maritime Organization (IMO) of the UN and the International Shipping Federation to help ships avoid becoming victims of piracy. Third is the increasingly widespread use of well-qualified, privately contracted, armed security detachments to keep pirates from getting onboard ships. This has been very successful: as of this writing, no ship with an armed security detachment has been successfully pirated.

**There are long-term concerns about a nexus between Somali pirates and Yemeni Islamists.** The possibility of a relationship between al-Shabaab in Somalia and the Al Qaeda affiliate in Yemen, Al Qaeda in the Arabian Peninsula (AQAP), has been worrisome for years. Yemen dominates the Bab el-Mandeb Strait, which controls access to the

southern Red Sea. Al Qaeda strategists have written about attacking the Bab el-Mandeb using mines, piracy, or suicide operatives. Material taken from Bin Laden's compound after his death indicates a continuing interest in attacking oil and gas supplies, perhaps using the small boat tactics employed against *Limburg* off Yemen in 2002 and *M Star* in the Strait of Hormuz.

Events in late September and October 2012 suggest that al-Shabaab is on the verge of being eliminated as a viable organization by the combination of Kenyan and African Union forces. Al-Shabaab has reportedly been driven from its last major Somali stronghold, the port city of Kismayo, and has been forced to flee from most of its strategic towns and regions of Somalia. This could mean the end of this fundamentalist organization.<sup>19</sup>

**The resilience of the pirate enterprise should not be underestimated.** Pirates have proved themselves to be capable and adaptable. So far, the decrease in successful hijackings has not dented the one metric that matters to them: their income. In 2011, pirate income was estimated to be in the range of \$146 million to \$150 million, compared to \$81.6 million in 2010 and \$70 million in 2009. Their record of success has led expatriate Somali "investors" to back them so they can bargain harder for larger ransoms and, quite possibly, sit out the current naval challenge while they calculate how to overcome the ship self-protection measures and armed teams now in place.

Focusing on piracy financing is within the skill set of organizations such as the U.S. Treasury Department, but resource limitations combined with the higher priorities of counter-terrorism and non-proliferation mean that such financing has yet to be fully exploited.

## Research findings: India-Pakistan and the Arabian Sea

**The Arabian Sea is economically significant to both India and Pakistan.** India's and Pakistan's most important economic centers are

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<sup>19</sup> [http://www.washingtonpost.com/world/africa/somalia-kismayos-future-clouded-by-prospected-of-renewed-clan-warfare-say-residents/2012/10/04/83d55bb8-0e2d-11e2-ba6c-07bd866eb71a\\_story.html](http://www.washingtonpost.com/world/africa/somalia-kismayos-future-clouded-by-prospected-of-renewed-clan-warfare-say-residents/2012/10/04/83d55bb8-0e2d-11e2-ba6c-07bd866eb71a_story.html).

along the Arabian Sea. In Pakistan's case, two of its four provinces face the Arabian Sea. Sindh province is home to Karachi, which accounts for about 65 percent of Pakistan's total GDP (and many other things such as customs duties and taxes) and is Pakistan's most populous city, its financial center, and its main port. Baluchistan, Pakistan's second province bordering the Arabian Sea littoral, is sparsely populated but is stocked with natural gas, coal, copper, and other valuable resources, and is home to the port of Gwadar, which is being developed for both commercial and military uses.

In India's case, the Arabian Sea littoral states of Maharashtra and Gujarat are among the country's top five states in terms of GDP and are the top two states in terms of per capita GDP. They also are home to a significant share of India's foreign direct investment and company headquarters. Three of India's major ports and several intermediate ports are along the Arabian Sea in these two states. In particular, Mumbai city in Maharashtra is estimated to account for 25 percent of India's total economic output, 40 percent of its maritime trade, and 70 percent of its capital transactions.<sup>20</sup>

**India-Pakistan maritime rivalry in the Arabian Sea is derived from, rather than drives, a deep and complex state-to-state competition.** In the hierarchy of India-Pakistan dangers and mutual suspicion, maritime competition has been a comparatively limited though not insignificant concern, and it may remain that way. On the other hand, the maritime dimension of the India-Pakistan rivalry could increase and be sustained in the years ahead, for two main reasons: First, a number of recent incidents involving terrorism, piracy, and "loose ships" have highlighted the maritime dimension of the fraught relationship. Second, ongoing structural developments in the economic, strategic, and national interests of the two countries are working to increase the attention and interactions that Islamabad and New Delhi are likely to have in the Arabian Sea.

**The India-Pakistan rivalry complicates U.S. relations with both countries and impinges upon U.S. interests and activities in the region.** U.S. relations with Pakistan at sea are considerably better than U.S.

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<sup>20</sup> "India: Mumbai's unique security problems will persist," *Oxford Analytica*, December 23, 2008.

relations with Pakistan on land. The U.S. Navy-Pakistani Navy relationship is very good, and has been for a number of years. At the same time, many U.S. policy-makers regard U.S.-India naval cooperation in the Indian Ocean region as a particularly promising element of the U.S.-India bilateral security relationship. However, Indian politicians and policy-makers who closely supervise Indian security forces regard U.S.-Pakistan cooperation in the Arabian Sea with some suspicion, and, as a result, are less enthusiastic about the U.S.-India security relationship.

**Both India and Pakistan trade extensively across the Arabian Sea** to the Gulf/Middle East, Europe, Africa, and North America. Both countries trade more across the Arabian Sea than in other directions, such as north overland to and through Central Asia or within South Asia itself. An overwhelming component of this maritime trade for both countries is energy, which is critically important to the two economies because both are heavily dependent upon external energy resources.

**The Pakistani and Indian navies are concentrated along the Arabian Sea.** For Pakistan, this has been the case since East Pakistan gained independence as Bangladesh in 1971. In India's case, the navy's Western Command is designated the "sword arm" of the navy; the best officers and capabilities have traditionally been assigned to this command. India's focus on the Arabian Sea will not diminish even as additional attention and resources are assigned to the eastern maritime area.

**The Sir Creek dispute is an Arabian Sea littoral issue.** The dispute over Sir Creek stems from historical dispensation of the marshy area based on pre-independence agreements. Pakistan insists that the entire territory should belong to the province of Sindh, based on a 1914 agreement. India rejects this view, saying that subsequent arrangements argue for a division through the mid channel. Further complicating the picture is that the course of marshy inlet is not fixed; therefore, Pakistan could lose several thousand kilometers of its claimed EEZ. The 1965 India-Pakistan War in part derived from skirmishes around Sir Creek, and just after the Kargil War of 1999, Indian military planes shot down Pakistan Navy surveillance aircraft over the area. Unsuccessful efforts to find a compromise on Sir Creek were undertaken as recently as June 2012. Even so, of the three core

Indo-Pak territorial disputes (Kashmir and Siachen are the other two), Sir Creek has the best chance for near-term resolution.

**Terrorist attacks from the sea put the spotlight on shared maritime space.** Terrorist attacks launched against Mumbai in November 2008 were the first in which a maritime component was critical. The gunmen travelled by boat from Karachi on Pakistan's Arabian Sea coast into waters close to Mumbai, where they hijacked an Indian fishing trawler and then used small dinghies to land onshore at Mumbai. The episode increased India-Pakistan tension and focused attention on the maritime element of the rivalry in a way that no previous naval engagement between the two states had. Importantly, no one has ever claimed that the Pakistani Navy was complicit in this attack.

**Implications for the United States.** There is little evidence that the fundamentals of India-Pakistan relations are moving in a direction of resolving core animosities, suspicions, and disputes. Old, ongoing issues could be complicated by the emergence of a new sector of competition and contestation—the maritime dimension in the Arabian Sea. For Washington, the Arabian Sea—which is already fraught with tension because of issues with Iran, access to Hormuz, and piracy—an Indo-Pak maritime rivalry in the same body of water adds another layer of complexity to the security issues it must address, while complicating desires to improve the Indo-U.S. strategic relationship.

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## Chapter 3. The Bay of Bengal

The monograph of the Bay of Bengal by CNA research analyst Nilanthi Samaranyake was completed in September 2012. In the 838,600-square-mile Bay of Bengal, security threats to numerous countries, including the United States, range from disputes over exclusive economic zones, to poaching and overfishing, to trafficking of humans, arms, and narcotics, to terrorism and piracy. A review of the full spectrum of threats in the Bay of Bengal reveals two dominant security challenges: nascent China-India competition, and the likelihood of a natural disaster. The report explores these issues in order to assess U.S. policy options for addressing each of them. It concludes by recommending ways to manage the potential for China-India strategic rivalry and to mitigate the damage of an environmental catastrophe.



## Research findings: India-China and Bay of Bengal

**China's economic and security interests have resulted in a greater Chinese presence in the Indian Ocean region, much to the concern of India.** China has cultivated economic relationships with Bay of Bengal countries through infrastructure projects such as port development, power plant construction, and railway and road building in littoral countries. Indian strategic planners worry that Chinese influence in these Indian Ocean outposts could turn them into military bases that would enable China to “encircle” India.

However, a single-minded focus on these sites as likely nodes of Chinese influence does not capture the entire story, because the rationale behind these developments is more economic than strategic. Beijing is trying to connect its western provinces to the globalized economy by constructing lines of communication south to the Bay of Bengal. That said, there are strategic concerns at work as well. They are addressed below.

**India is undertaking a major modernization of its navy and is increasing bilateral and multilateral naval ties in the Bay of Bengal.** Partly in response to China and partly as a power rising on the world stage, India has begun upgrading its tri-service Andaman and Nicobar (A&N) Command, allocating greater resources to the Eastern Naval Command (located along mainland India's eastern coast), and increasing navy-to-navy ties through forums such as the Indian Ocean Naval Symposium and the MILAN exercise.

In response to China's increasing presence, India has embarked on infrastructure development projects of its own in Bay of Bengal countries, including in Burma and Sri Lanka. If New Delhi's intent is to make Beijing more aware of its own vulnerable sea lanes, it appears to have succeeded. Chinese strategists, already worried about China's “Malacca Dilemma,” recognize that the A&N Command puts India's naval and air power in a position to control access to the Strait of Malacca and, hence, to the South China Sea.

**The strongest manifestation of Sino-Indian rivalry in the Bay of Bengal has been in Burma.** Both countries' domestic and strategic interests coincide in Burma. Both Beijing and New Delhi want a political friend as well as a neighbor that can provide them with access to the

Bay of Bengal (from Yunnan province in China and from India's northeastern states). However, developments since 2011 regarding Western engagement with Burma appear to have taken some of the wind out of the sails of burgeoning Sino-Indo competition. Burma now has more options. While strategic concerns still animate both China and India, both countries are actually pursuing the same objective—access through Burma so that their landlocked underdeveloped areas can develop economically.

**The idea that China is establishing a series of bases to surround India, often known as the “string of pearls,” is not what is actually taking place along the Bay of Bengal littoral.** It is true that Chinese trading companies, with offices in all of South Asia's major ports, can provision visiting PLA Navy ships and often have done so. Still, this peacetime activity is very different from the support that a real naval base provides; it would be incorrect to infer that the ability to refuel, load fresh provisions, and provide an opportunity for a ship's crew to go on “liberty” converts a port into a naval base.

New Delhi is very aware that China is building infrastructure in an area that India has traditionally considered its own sphere of influence. However, India's ties with Sri Lanka, Bangladesh, and Maldives are enduring, and the states living in the shadow of India do not want to antagonize New Delhi. Territorial propinquity and ethnic and historical ties between the Bay of Bengal states do matter. Bangladesh, Sri Lanka, and Maldives depend too much on India for various diplomatic and military dealings to risk sacrificing them by seeking a privileged relationship with China. Sri Lanka's defense ties with India are growing. Bangladesh has recently improved its border relations with India, and the two countries are close to signing bilateral agreements over water-sharing and transit rights.

Furthermore, Chinese bases in these countries would be within easy range of the Indian military. For example, although many Indian analysts fear that the new port China is developing in Hambantota, Sri Lanka, will become a Chinese naval base, the reality is that Hambantota's geographic proximity to India would render such a base vulnerable.

## Research findings related to U.S. policy toward the Maldives, Sri Lanka, and Bangladesh

**U.S. interests and policy options in Maldives:** It is important to see these three countries in a context beyond Sino-Indian rivalry. Maldives, for instance, is a “pro-American, majority Muslim” country that deserves U.S. assistance since it “is situated on the front lines of common threats including Somali piracy, narco-trafficking and the recruitment and training grounds of Al Qaeda and Lashkar-e-Taiba” (LeT).<sup>21</sup> Nearly 40 Somali pirates are in Maldivian police custody,<sup>22</sup> and officials are concerned about their country’s tourism-based economy being damaged by fears over piracy.<sup>23</sup>

On the terrorism front, no LeT extremists have been found in Maldives. Still, both U.S. officials and Indian analysts fear the potential for Maldivians to be recruited into such activity, based on the arrests of some Maldivian citizens in Pakistan. A major concern is that pirates and terrorists could seek refuge in any of Maldives’ 1,200 islands, of which only 200 are inhabited and which are too numerous for the Maldives National Defence Force (MNDF) to adequately patrol. U.S. policy-makers are rightly pursuing capacity-building in Maldives with deep consideration for enhancing counterterrorism strategies. However, they should also consider the potential for the United States and India to coordinate on the provision of security assistance to Indian Ocean states. Maldives is ripe for such coordinated capacity-building.

**U.S. interests and policy options with Sri Lanka:** Sri Lanka deserves specific mention. In the words of Assistant Secretary of State Robert

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<sup>21</sup> Robert O. Blake, Jr., Assistant Secretary Of State, Bureau Of South And Central Asian Affairs, “Testimony Before The House Foreign Affairs Committee, Subcommittee On The Middle East And South Asia,” Apr. 5, 2011, <http://foreignaffairs.house.gov/112/65627.pdf>.

<sup>22</sup> Hawwa Lubna, “Piracy Threat Prevents Passenger Line from Leaving Maldives,” *Minivan News*, Jan. 8, 2012, <http://minivannews.com/politics/piracy-threat-prevents-passenger-line-from-leaving-maldives-30505>.

<sup>23</sup> Discussions with Maldivian officials, 2011 and 2012.

Blake, it “remains of strategic interest to the U.S.” because it is a “capable and willing partner to effectively combat violent extremism, trafficking and piracy, and thereby help to ensure the maritime security of the region.”<sup>24</sup> The impediment to closer relations is the U.S. concern that the Sri Lankan government was unnecessarily brutal in its final campaign that ended the multi-decade civil war. This issue continues to strain bilateral ties. Added to this is the perception that the Colombo government is not making adequate progress either with ethnic and religious minorities or with opposition figures. The December 2011 report from the government-appointed Lessons Learnt and Reconciliation Commission did not go far enough for some observers, in terms of accountability for civilian casualties. However, continuing to keep Sri Lanka at arm’s length makes little sense, as both China and India will continue to engage with Colombo, and the party that will suffer from not having a closer security relationship will be Washington, not Colombo.

**The long Sri Lankan civil war, during which the LTTE became masters of suicide tactics, has lessons for the United States today, especially in the naval realm.** The Sri Lanka Navy was particularly successful in learning how to defeat the swarm attacks by the LTTE Sea Tigers during the civil war. This has lessons for the United States, which faces similar threats from Iran in the Strait of Hormuz region. The United States could also learn from the Sri Lanka Navy’s experience with semi-submersibles.<sup>25</sup> It is important to note that as personnel from the Sri Lanka Navy move on from their positions, the institutional memory concerning the successful lessons learned from swarm tactics will eventually be lost; thus, the U.S. Navy could benefit from accessing this knowledge base sooner rather than later. A modest first step would be to invite the Sri Lanka Navy to participate in the annual rolling series of bilateral naval exercises called Cooperation Afloat Readiness and Training (CARAT), which the U.S. Seventh

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<sup>24</sup> Robert O. Blake, Jr., Assistant Secretary Of State, Bureau Of South And Central Asian Affairs, “Testimony Before The House Foreign Affairs Committee, Subcommittee On The Middle East And South Asia,” Apr. 5, 2011, <http://foreignaffairs.house.gov/112/65627.pdf>.

<sup>25</sup> Discussion with a former senior U.S. defense official, Alexandria, VA, 2011.

Fleet conducts in Southeast Asia. There is a precedent for expanding this exercise into the Bay of Bengal: in 2011, Bangladesh became the first South Asian country to participate in CARAT.

**Washington has an “excellent” relationship with Bangladesh<sup>26</sup> — easily its best in South Asia, including India.** U.S.-Bangladesh relations are soaring, as seen most recently in the establishment of the first bilateral security dialogue in April 2012. The United States is providing assistance to the Bangladesh Navy in counterterrorism and maritime interdiction.<sup>27</sup> This is important because fears persist about the potential for the force of militant Islam to undermine the democratically elected government. For example, the Bangladesh Army announced it had thwarted a coup organized by Islamic extremist soldiers in January 2012. It is in U.S. interests to promote solid relations with as many Muslim countries as possible, such as Bangladesh and Maldives. National elections will be held in early 2014, and it is in U.S. interests to continue to foster its improved bilateral ties with Bangladesh no matter who wins the election.

**Compared to the nascent security threat associated with the China-India rivalry, the non-traditional security challenge of natural disasters and climate change in the Bay of Bengal poses a more immediate threat.** This region is particularly vulnerable to sudden changes in the weather—which produce cyclones, flash floods, and landslides—as well as to long-term shifts in climate, leading to rising sea levels. Marine pollution and illegal fishing pose additional problems to Bay of Bengal countries. The U.S. military already has a long history of responding to natural disasters in this region, and it is only a matter of time before a severe earthquake or cyclone creates a new emergency that will call for U.S. involvement. Building on its relief efforts after the 2004 tsunami, India is currently putting in place capabilities so that it too can be a more effective immediate responder. As a result, U.S. military interactions with India should include an emphasis on coordinated responses.

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<sup>26</sup> U.S. Department of State, Bureau of South and Central Asian Affairs, “Background Note: Bangladesh,” Mar. 6, 2012, <http://www.state.gov/r/pa/ei/bgn/3452.htm#relations>.

<sup>27</sup> *IHS Jane's*, “Jane's World Navies: Bangladesh,” May 11, 2011.

## Chapter 4. The South China Sea

The South China Sea report is composed of three separate papers; an introductory essay that explores U.S. policy and the South China Sea (SCS), by the project director, RADM (ret.) Michael A. McDevitt; a paper on the growing competition in the South China Sea, by Dr. M. Taylor Fravel; and a paper that addresses Vietnam's interests in the South China Sea disputes, co-authored by Dr. Lewis M. Stern and RADM McDevitt. The findings from each are presented separately.

The South China Sea stretches from the mouth of the Pearl River in China in the north, to the tip of Indonesia's Natuna Island in the south. Recent competition over sovereignty and maritime disputes has occurred largely without the direct involvement of military forces.<sup>28</sup> Instead, the key actors have been fishing vessels, oil companies, and national maritime law enforcement agencies. States use these actors, along with diplomacy, to compete and to assert and defend their claims. As a result, the level of tension in the South China Sea, although high at times, has not yet resulted in the kind of instability that the region witnessed from 1988 to 1995: a major armed clash occurred between China and Vietnam in March 1988, in which 64 Vietnamese were killed,<sup>29</sup> and China occupied Mischief Reef in 1995. Today, fortunately, the dispute has not yet become militarized.

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<sup>28</sup> All of the land features in the SCS are in dispute. Both China and Taiwan (the Republic of China) claim all the land features. Vietnam claims both the Paracel and Spratly Island groups, which are the archipelagos with the most islands. The Philippines claims most of the Spratlys and the uninhabited Scarborough Shoal, which is in neither the Paracel nor the Spratly chains. Malaysia claims some of the Spratlys, and Brunei has an EEZ claim that overlaps China's water claims.

<sup>29</sup> "Commemorating soldiers sacrificed to protect Trung Sa Island," *Communist Party of Vietnam Online Newspaper*, January 30, 2013, [http://dangcongsan.vn/cpv/Modules/News\\_English/News\\_Detail\\_E.aspx?CN\\_ID=565367&CO\\_ID=30438](http://dangcongsan.vn/cpv/Modules/News_English/News_Detail_E.aspx?CN_ID=565367&CO_ID=30438).

As a point of departure, the following are the countries that are involved in the many overlapping sovereignty claims in the SCS:

- *China (PRC) and Taiwan (ROC)* – The PRC and ROC claim all of the above-water land features in the South China Sea.
- *Brunei* – Brunei’s claim to the South China Sea is limited to its EEZ, which extends to one of the southern reefs of the Spratly Islands. However, Brunei has not made any formal claims to the reef or to any of the Spratlys. Brunei makes no claims to any of the Paracel Islands.
- *Indonesia* – Indonesia’s claim to the South China Sea is limited to the boundaries of its EEZ and continental shelf. Indonesia claims neither the Spratly nor the Paracel Islands.<sup>30</sup>
- *Malaysia* – Malaysia’s claim to the South China Sea is limited to the boundaries of its EEZ and continental shelf. Malaysia occupies seven features in the Spratlys; it has built a hotel on one, and has brought soil from the mainland to raise the level of another. Malaysia makes no claim to the Paracel Islands.
- *Philippines* – The Philippines claims a sizable portion of the Spratly archipelago. It occupies eight of the Spratly Islands (which it calls the Kalayaan Islands). It also claims Scarborough Shoal, based on its continental shelf. It does not claim the Paracel Islands. Filipino claims are based upon the EEZ and continental shelf principle, as well as a 1956 Filipino explorer’s expedition.<sup>31</sup>

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<sup>30</sup> Indonesia does have issues with China that involve its Natuna Island EEZ and associated gas fields that China’s nine-dashed line overlaps. See <http://www.rsis.edu.sg/publications/Perspective/RSIS1262012.pdf>.

<sup>31</sup> The Philippine claim to the Spratlys originated in 1956 when a Philippine “explorer,” one Tomas Cloma, owner of a Philippine fishing company and director of the Philippine Maritime Institute, was sailing in the Spratly chain. He did not find any human habitation, and, as a result, decided to claim the islands and found a new country called *Kalayaan* (Freedomland). He posted a document in English, entitled *Notice to the Whole World*, listing all features he claimed. His claim comprises about 50 features among the Spratly group. Not surprisingly, his declaration was strongly protested by the Republic of China (Taiwan), the PRC, and South Vietnam, as well as France, the United Kingdom, and the Netherlands,

- *Vietnam* – Vietnam claims a significant portion of the South China Sea, based upon its EEZ and the continental shelf principle. Vietnam claims all of the Spratly Islands (*Truong Sa* in Vietnamese) and has occupied from 21 to 25 of them. Vietnam claims all of the Paracel Islands (*Hoang Sa* in Vietnamese) despite being forcibly ejected by China in 1974.<sup>32</sup>



which were representing their colonies in Southeast Asia. Cloma eventually “sold” Freedomland to the Marcos government for one Philippine peso. See Haydee B. Yorac, “The Philippine Claim to the Spratly Island Group,” *Philippine Law Journal* 58 (1983), <http://law.upd.edu.ph/plj/images/files/PLJ%20volume%2058/PLJ%20volume%2058%20second%20quarter%20-03-%20Haydee%20B.%20Yorac%20-%20The%20Philippine%20Claim%20to%20the%20Spratly%20Island%20Group.pdf>.

<sup>32</sup> Energy Information Administration, *Regional Outlook: South China Sea*, <http://www.eia.gov/countries/regions-topics.cfm?fips=SCS>.

## Research findings: U.S. policy and the South China Sea

The United States has two principal interests in the South China Sea disputes: access, and rules-based stability.<sup>33</sup>

The United States has a powerful interest in maintaining unhindered access to the waters of the South China Sea. From Washington's perspective, all countries enjoy high seas freedoms, including freedom of navigation, beyond any coastal state's 12-nm territorial seas over which the coastal state enjoys sovereign rights. Unhindered access to the waters of the South China Sea is important for two reasons. First, it underpins the economic dynamism of the region, which is based on extensive intra-regional and international trade; more than 5 trillion dollars' worth of trade passes through these waters each year, including more than 1 trillion dollars' worth of U.S. trade. Second, unhindered access sustains America's ability to project military power—not just in East Asia but also around the world, as many naval vessels from the West Coast and Japan pass through the South China Sea en route to the Indian Ocean and Persian Gulf.

The United States also has a powerful interest in the maintenance of regional peace and stability in Southeast Asia. Like open and unhindered access, regional stability also sustains both East Asian and American prosperity, as conflict or intense security competition would divert scarce resources away from development, reduce trade by threatening the security of sea lanes, and reduce cross-border investment. The Obama administration places a premium on peaceful resolution of disputes by adhering to international norms and legal regimes. Thomas Donilon, President Obama's national security advisor, put it succinctly in the *Financial Times*:

Security in the region requires that international law and norms be respected, that commerce and freedom of navigation are not impeded, that emerging powers build trust with

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<sup>33</sup> The United States has other interests related to these disputes, including maintaining its commitments to allies in the region and ensuring a stable and cooperative relationship with China (which bears on many U.S. interests apart from those in the South China Sea).

their neighbors, and that disagreements are resolved peacefully without threats or coercion.<sup>34</sup>

**The SCS is a complex policy problem for U.S. policy-makers because of an overlapping set of issues.** As indicated by the above list, sovereignty disputes in the SCS involve six countries: China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei. Five of the countries (all but Brunei) occupy some of the islands with military or paramilitary forces. The SCS picture is further muddied because China also makes claims based on assertions of “historic waters” delimited by a vague, un-demarcated line on maps, known as the “U-shaped” or “nine-dashed” line, which covers virtually the entire sea. This line is the cause of significant confusion, because Beijing has so far refused to define what it thinks this line means legally, and because the line overlaps the legitimate EEZ and continental shelf claims of the other SCS coastal states.

An issue that is separate but related to sovereignty is a major disagreement between Washington and Beijing over “freedom of navigation” in the SCS, which the United States argues that China is trying to obstruct. The disagreement concerns what military activities are permitted in the EEZ of China, which, based on China’s claims, could potentially encompass most of the SCS. Washington argues that the United Nations Convention on the Law of the Sea (UNCLOS) permits nations to exercise “high seas freedoms” in the EEZs of coastal states.<sup>35</sup> These “freedoms” include the right to conduct peaceful military activities, which include, inter alia, surveillance and military surveys. China disagrees. This disagreement over U.S. surveillance activities has already caused two serious incidents: the 2001 mid-air collision between a U.S. Navy surveillance aircraft (EP-3) and an intercepting Chinese navy fighter, and the 2009 harassment by Chinese fishermen and paramilitary ships of USNS *Impeccable*, which was conducting underwater surveillance.

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<sup>34</sup> Tom Donilon, “America is back in the Pacific and will uphold the rules,” *Financial Times*, November 27, 2011.  
<http://www.ft.com/cms/s/0/4f3febac-1716-11e1-b00e-00144feabdc0.html>.

<sup>35</sup> Which the United States has yet to ratify, but nonetheless observes.

**The United States is involved despite protestations of neutrality regarding sovereignty issues.** In the summer of 2010, the Obama administration departed from past U.S. policies of neutrality and aloofness, when, through a combination of diplomacy and enhanced military presence, it clearly began to signal that the United States does consider creating rule-based stability in the SCS to be an important U.S. national objective. The unsettled situation in the SCS is implicitly a test case of the “post-rebalance” U.S. credibility as a stabilizing power in Asia. Having more directly involved itself in trying to foster a “collaborative” solution at the 2010 ASEAN Regional Forum meeting in Hanoi, the United States now has strategic “skin in the game.” Secretary Clinton’s intervention was a departure from traditional U.S. policy, which assiduously tried to avoid becoming embroiled in sovereignty disputes that did not involve U.S. equities.

**China’s coercive behavior in the South China Sea is deliberate and systematic.** According to one respected expert:

The clear pattern of bullying and intimidation of the other claimants is evidence of a top leadership decision to escalate China’s coercive diplomacy. This has implications not only for the Philippines and Vietnam, the primary targets of China’s coercive efforts, but also has broader regional and global implications. Beijing refuses to engage in multilateral discussions on the territorial and maritime disputes in the region, preferring bilateral mechanisms where it can apply leverage over smaller, weaker parties. China rejects a role for the International Court of Justice (ICJ) or the International Tribunal on the Law of the Sea (ITLOS) in resolving the territorial and maritime disputes in the South China Sea. Although Beijing has agreed to eventually enter into negotiations to reach a Code of Conduct for the South China Sea, Chinese officials have recently stated that discussions can only take place “when conditions are ripe.”<sup>36</sup>

**China appears to be following a “carrot or stick” policy approach.** The “carrot” that China holds out is “win-win” cooperation, which equates to helpful trade and economic exchanges with ASEAN states,

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<sup>36</sup> Bonnie Glaser, Statement before the House Foreign Affairs Committee, “Beijing as an Emerging Power in the South China Sea,” September 12, 2012, <http://csis.org/testimony/beijing-emerging-power-south-china-sea>.

including the SCS claimants. China uses this carrot in order to avoid public disputes and other actions that would complicate its claims. At the same time, through words and deeds, it uses a “stick” to pointedly remind claimants, such as the Philippines and Vietnam, how powerful it has become—it is a power that will continue to grow and will eventually be able to prevent foreign “intrusions” into the SCS dispute.

**Washington has become more involved diplomatically, but it has little leverage in reaching its desired non-coercive rules-based outcome.** Chinese assertive behavior in 2009, in 2010, and again in 2012 is a contributing factor to a new U.S. “normal” in the SCS—one that has the United States much more deeply involved in security relations with all the ASEAN claimants to features in the SCS. The United States has indirectly linked the credibility of its rebalance strategy for Asia to a successful (i.e., peaceful, non-coercive, rules-based) resolution of disputes in the SCS, but it has little to no direct leverage in resolving the SCS sovereignty disputes, the legal standing of the nine-dashed line, or the contentious fishing issues.

**The range of U.S. policy options is not infinite; only four policy approaches seem possible.** They could be generally divided into the categories below, which are not necessarily mutually exclusive:

1. *Make the situation better and reduce the risk of conflict.* This approach could involve direct U.S. mediation, including active involvement in trying to reconcile the competing claims of the Philippines, Vietnam, and Malaysia. By facilitating a resolution to these differences, the United States would set a positive example for subsequent resolution with China, make it easier for ASEAN to speak with one voice to China, and create useful legal precedents that could more broadly apply to other maritime disputes in East Asia.
2. *Wash our hands of the entire problem.* Washington could try to turn the SCS matter over to a regional power such as Indonesia, and indicate to Beijing that the Sino-U.S. relationship is more important to Washington over the long run, than becoming involved in SCS territorial disputes. At the same time, Washington could make it clear that such a policy is not offering a “green light” for Beijing to use force but is merely a

statement of the obvious fact that United States has no important interests at stake so long as high seas freedoms are respected.

3. *Take a much more assertive posture with China.* Washington could take sides by improving the military postures of the United States and of other SCS claimants, and adopting a posture clearly aimed at deterring Chinese attempts to coerce. This policy would clearly risk turning the Sino-U.S. relationship into one of confrontation. It also could make East Asia less stable and force many countries in the region into difficult choices that easily might not be resolved in favor of the United States.
4. *Enhance the status quo.* Washington could make no change in official U.S. policy but become more explicit about its views. For example, the State Department could issue a White Paper that spells out what claims in the SCS are considered by U.S. experts to be beyond the writ of UNCLOS and general international law. Such a paper would address in very explicit terms what baselines are seen as excessive, what islands or islets qualify for an EEZ, and what the United States means by *freedom of navigation*. Even though the United States has not ratified UNCLOS, it can still read and interpret international law.

**This report recommends a policy approach that would focus on law and diplomacy, and is a combination of options 1 and 4 above.** By playing a role in reconciling the overlapping claims of Vietnam, the Philippines, and Malaysia, Washington would simplify the sovereignty question and provide a salutary example to China. Making known U.S. views on China's dubious interpretations of UNCLOS and pointing a public spotlight on the legal absurdity of the nine-dashed line could be important steps in demonstrating America's leadership to friends and allies in Asia, and might potentially cause Beijing to bring its application of UNCLOS more into line with commonly accepted international law. Taking these steps would not be risk-free in terms of damage to the overall Sino-U.S. relationship, and those risks would need to be carefully assessed. Given that extant U.S. policy has deeply involved the United States in SCS disputes with no appreciable impact on Chinese behavior or progress toward a diplomatic resolution, evolving U.S. policy along these lines does merit consideration.

**The United States must ratify UNCLOS if it hopes to be a more credible player in preserving stability in the SCS.** Whether the United States likes it or not, UNCLOS embodies customary international law. Ratification would increase the legitimacy of U.S. efforts to pursue a rules-based approach to managing and resolving disputes over maritime jurisdiction, and would further enhance the image of the United States among many states in East Asia—i.e., it would show that we play by the same set of international rules.

**The most interesting new development in the South China Sea is the fact that in January 2013 the Government of the Philippines “took China to court” by going to the ITLOS tribunal with a plea that challenges China’s claim to sovereign rights, including to all resources and navigational rights, within the maritime space encompassed by the nine-dash line.** The submission asserts that China has interfered unlawfully with the exercise of Philippine sovereign rights within its 200 nautical-mile EEZ—activities that have escalated since 2012. The Philippines wants ITLOS to issue a finding that, inter alia, declares China’s maritime claims based on its nine-dash line to be contrary to UNCLOS and therefore invalid; that requires China to bring its domestic legislation into conformity with UNCLOS; that declares China’s occupation of certain reefs to be illegal and a violation of Philippine sovereign rights; that declares that China has unlawfully claimed maritime entitlements beyond 12 nautical miles from certain features (including Scarborough Shoal); and requires China to desist from unlawful activities in the Philippines’ EEZ, including exploiting living and non-living resources.

Given ITLOS’ recent findings this effort is not as quixotic as it might first appear. First, the arbitration can go forward whether or not China agrees (it does not). Second, Manila has hired a first-rate, U.S.-based legal team that has been successful in similar cases. Third, the nine-dashed line is so far beyond any conceivable interpretation of what is, or is not, permitted by UNCLOS that legal scholars such as RSIS’s Robert Beckman thinks there is a possibility the tribunal will find in the Philippines favor.<sup>37</sup>

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<sup>37</sup> <http://cil.nus.edu.sg/wp/wp-content/uploads/2013/03/Beckman-Asia-Society-LKY-SPP-March-2013-draft-of-6-March.pdf>

## Research findings: Growing competition in the South China Sea

**The escalation of tensions associated with growing competition among the claimant states in the South China Sea—especially China, Vietnam, and the Philippines—reflects an interactive and dynamic logic.** Territorial disputes by definition are unstable and prone to negative spirals of instability because they are “zero sum,” whereby one state’s gain is another state’s loss.<sup>38</sup> As a result, states in such disputes are especially sensitive to perceived challenges to their claims by other states. Any action by one state to strengthen its own claim creates strong incentives for other states to respond. Such incentives are especially powerful because of the public nature of claims in territorial disputes and because if one state disagrees with another state’s “excessive” claims they may challenge said claims by diplomatic demarche, or, in the case of maritime disputes, by civil maritime law enforcement activity in the disputed waters.

**Since 2007, competition over competing claims in the South China Sea has increased.** The proximate spark has been a greater focus on the natural resources in these waters. This increases the salience of claiming maritime rights and sovereignty over land features that can be used to claim maritime rights. To assert and exercise their rights, states have combined diplomatic and administrative actions to assert jurisdiction over parts of the South China Sea along with the use of commercial and maritime law enforcement agencies to exercise jurisdiction.<sup>39</sup>

**Diplomatic tensions over maritime rights increased in the weeks before the May 2009 deadline for submissions to the UN Commission on the Limits of the Continental Shelf (CLCS).** The commission re-

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<sup>38</sup> Robert Jervis, “Cooperation under the Security Dilemma,” *World Politics* 30, no. 2 (1978): 167-214.

<sup>39</sup> M. Taylor Fravel, “Maritime Security in the South China Sea and the Competition over Maritime Rights,” in Patrick Cronin and William Rogers, eds., *Cooperation from Strength: The United States, China and the South China Sea* (Washington, D.C.: Center for New American Security, 2012) and M. Taylor Fravel, “China’s Strategy in the South China Sea,” *Contemporary Southeast Asia* 33, no. 3 (December 2011): 292-319.

views and qualifies claims by states to extended continental shelf rights beyond 200 nautical miles.<sup>40</sup> If a territorial or maritime dispute exists, however, then the commission's rules dictate that it "shall not consider and qualify a submission made by any of the States concerned in the dispute."<sup>41</sup> As a result, all claimants in the South China Sea have strong incentives to challenge the continental shelf submissions where sovereignty or maritime rights claims overlap. Accordingly, China and the Philippines have both objected to Vietnam's submission and to the joint Vietnamese-Malaysian submission. All the claimants have then issued claims and counter-claims.<sup>42</sup>

**Starting in mid-June 2011, China adopted a more moderate approach to managing its claims in the South China Sea after it realized that its behavior in the previous two years had backfired.** The purpose of this shift was to ensure that the disputes in the South China Sea did not harm China's broader foreign policy objectives, especially its ties with regional states. Through this approach, Beijing sought to project a more benign image in order to prevent the formation of a group of East Asian states allied against China, reduce Southeast Asian states' desire to further improve ties with the United States, and weaken the rationale for a greater U.S. role in these disputes and in the region. The elevated profile of the United States in the South China Sea disputes after 2010 helped push China in this more moderate direction and, for a time, enhanced stability.

**China's turn toward moderation, however, began to unravel during and after the standoff over Scarborough Shoal in April 2012.**<sup>43</sup> China has returned to more unilateral actions for several reasons. Chinese leaders may have concluded that the moderate approach from mid-

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<sup>40</sup> Under the treaty, a state can only exercise rights to the continental shelf if the CLCS certifies the claim.

<sup>41</sup> *Rules of Procedure of the Commission on the Limits of the Continental Shelf* (New York: United Nations, 2008), p. 22.

<sup>42</sup> A list of all submissions and objections is available on the commission's website:  
[http://www.un.org/Depts/los/clcs\\_new/commission\\_submissions.htm](http://www.un.org/Depts/los/clcs_new/commission_submissions.htm).

<sup>43</sup> Taylor Fravel, "All Quiet in the South China Sea: Why China is Playing Nice (For Now)," *Foreign Affairs* (22 March 2012)

2011 had failed to assuage the concerns of all claimants and reduce what Beijing viewed as challenges to its claims. In particular, despite China's shift to a more moderate approach, the Philippines conducted very active and public diplomacy regarding its claims. The Philippines' actions included pushing for proposals that China viewed as harming its own claims, at the East Asian Summit; attempting to persuade ASEAN in April 2012 to negotiate a code of conduct without China; and seeking international attention and support during the standoff at Scarborough Shoal.

Several Vietnamese actions in June 2012 probably strengthened the argument in China for a return to a more unilateral approach, including Vietnam's first patrol of the islands with advanced Su-27 Flanker fighter aircraft flying as low as 500 meters over disputed features and the National Assembly's passage of a Maritime Law that affirmed Vietnam's claims over the Paracels and Spratlys. Finally, growing tensions with Japan amid plans by Tokyo's governor to purchase three of the Senkaku Islands likely underscored the importance of strengthening China's maritime claims everywhere.

**In early August 2012, China communicated its willingness to continue to deepen ties with ASEAN in what may have been an effort to prevent the disputes in the South China Sea from harming other objectives.** As a result, China has not completely abandoned a more cooperative and less unilateral approach. Nevertheless, China is now pursuing its own hedging strategy, combining efforts to strengthen its own claims unilaterally while agreeing in principle to hold talks when "conditions are ripe."

**United States should maintain its longstanding principle of neutrality and not taking sides in the territorial disputes of other countries.** The disputes in the South China Sea are complicated and multifaceted. To the extent that U.S. policy takes sides in these disputes—or is perceived as taking sides—it risks transforming these disputes into a bilateral conflict between the United States and China. And to the extent that claimant countries believe that the United States will defend their actions against China, they may take bolder and riskier actions that could increase instability in the South China Sea.

## Research findings: Vietnam and the South China Sea

**Vietnam's approach to the South China Sea sovereignty questions with China is based on three separate but related tracks.** First, Vietnam wants to maintain good relations with China. After a long history of coping with China, the leadership in Hanoi realize that in order to have the space necessary to act on its interests, Vietnam must carefully manage the overall relationship between itself and China. There is a commitment to normal and proper diplomacy, a systematic effort to promote a wide range of bilateral engagement in trade and commerce and defense and security, and a continuing investment in government-to-government efforts to sort out the tricky aspects of the relationship such as border demarcation issues.

Second, Vietnam has been a consistent supporter of China's participation in the "alphabet soup" group of institutions created by ASEAN (the Association of Southeast Asian Nations), and has been at the forefront of regional efforts to get China to actually conclude a binding code of conduct for behavior in the South China Sea. Hanoi's hope is that by enmeshing China in a web of cooperative relations with ASEAN, it will moderate Beijing's unilateralist tendencies.

Third, in what could be broadly characterized as independent activity, Vietnam is strengthening its security posture. Over the past decade, Hanoi has moved to establish closer relationships with non-regional powers, particularly the United States and India. South Korea also has joined Vietnam in an "overall joint proposed plan." In addition to seeking powerful friends, Vietnam has been making serious investments in its own maritime capabilities.

**The Vietnamese hope that the United States will help them cope with China's increasing power by sharing intelligence, exchanging information, and helping their military acquire technology.** The Vietnamese see the United States as being in the region to balance China. They are prepared to go as far as necessary to strengthen bilateral relations with the United States as leverage to help secure Vietnam's interests relative to China. Vietnam thus supports U.S. strategy in Asia and a continuing U.S. presence in the region, and it supports America's legitimate interests in the region. The Vietnamese believe that the United States should proactively engage on the South China Sea issue.

**Vietnam thinks that confronting China militarily in the SCS would be a mistake.** The Scarborough Shoal incident<sup>44</sup> between China and the Philippines convinced the Vietnamese that it is a mistake for any of the ASEAN claimants to deploy military vessels in a response to any acts by China intended to assert its sovereignty over the region. All of the ASEAN claimants have attempted to justify their claims based on their coastlines and the provisions of the 1982 UNCLOS, while China continues to rely on a mix of historic rights and legal claims, employing deliberate ambiguity to keep other claimants off balance. Vietnam believes that Chinese behavior drives home the need for the United States to ratify UNCLOS.

**Vietnam is not relying on diplomacy alone—it is also modernizing its military.** Vietnam’s government is committed to the modernization of the People’s Army of Vietnam (PAVN), and seeking a credible deterrent to China, while also conducting an across-the-board military transition. Vietnam’s defense ministry has defined key PAVN priorities for growth and development, and has focused attention on naval capabilities and the air force/air defense. It is has also ratcheted up strategic cooperation by embracing the idea of defense dialogues, strategic partnership agreements, and practical bilateral military cooperation.

**Vietnam is actively executing the requirement spelled out in its 2009 White Paper to manage and control “the waters and islands in the East Sea under Vietnam's sovereignty.”** It is doing this by purchasing a sea denial capability, largely from Russia. Vietnam’s most newsworthy purchase related to South China Sea defense has been the six Kilo-class submarines ordered from Russia in 2009—the first of which

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<sup>44</sup> In April 2012, the Philippine government dispatched a frigate to Scarborough Shoal to investigate eight Chinese fishing boats inside the lagoon of what the Philippines consider its territory. (China claims it as well.) After the Philippine Navy boarded several of the fishing boats, China responded by mustering, over a period of days, nearly 100 government fishing surveillance ships, fishing boats, and utility craft in the lagoon. It also extended its annual unilateral fishing ban to cover the waters around the shoal; it quarantined tropical fruit imports from the Philippines; and it failed to abide by a verbal agreement with Manila to withdraw vessels from the lagoon. Finally, China roped off the mouth of the lagoon to prevent other fishermen from entering. Glaser, “Beijing as an Emerging Power.”

reportedly was to arrive by the end of 2012—to use in defending its own claims in the South China Sea.

Vietnam has not just acquired submarines. It also has ordered four Russian-built Gepard-class corvettes. The first two, already in operation, are fitted for attacking surface ships; the second two, still under construction, will be optimized for anti-submarine warfare. Vietnam is also producing under license at least ten 550-ton fast-attack craft that are fitted with anti-ship cruise missiles. New defensive systems also include the so-called Bastion Coastal Defense System, also from Russia, which consists of truck-mounted anti-ship cruise missiles. Finally, its 20-odd Su-27/30 aircraft that are capable of maritime strike; and four very modern Dutch corvettes of the SIGMA class are also important capability additions. Altogether, Vietnam is attempting to put into place a credible off-shore naval force. All these off-the-shelf purchases must still be knit together into an integrated force, with effective surveillance and command and control, but Hanoi's intent is clear. Vietnam is investing significant resources to make certain that it can defend its maritime claims, and that it will avoid a replay of the 1988 South Johnston Reef clash with the PLA Navy, in which two Vietnamese landing craft were sunk, a third was badly damaged, and 64 Vietnamese were killed.

**Vietnam recognizes that its SCS dispute with China is an obstacle in Sino-Vietnamese relations.** It believes that if China continues to be assertive and ignore the interests of the other parties, the South China Sea dispute will pose a threat to security and stability in the region. Vietnam is unlikely to act unilaterally against China or to be the first to initiate hostilities, though it will defend itself if attacked. It will focus on improving its security through diplomatic outreach to neighbors, as well as to the United States, while developing an ability to pose a credible military deterrent to attacks on its holdings in the South China Sea.

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## Chapter 5. The East China Sea

The report on the East China Sea was based on a conference on the topic and consisted of six short essays by regional experts: Michael McDevitt, Catherine Lea, Abraham Denmark, Ken E. Gause, Bonnie Glaser, Richard Bush, and Daniel Hartnett. Since that time, China and Japan have become embroiled in a standoff over the sovereignty of five islets and three rocks named collectively *Diaoyu* in China and *Senkaku* in Japan. Both countries claim sovereignty; Japan has administrative control. The current tensions erupted in September 2012, when the government of Japan purchased three of the islets from a private Japanese owner in order to prevent the nationalist mayor of Tokyo from purchasing them, erecting facilities on the uninhabited chain, and creating an incident with China. Despite Japan's attempts to explain its "good intention," Beijing reacted in what is believed to be a preplanned way to take the opportunity to change the status quo by challenging Japan's administrative control and, implicitly, its claim of sovereignty. The findings in this section have been updated to reflect the situation as of April 2013.<sup>45</sup>

The broader strategic context is that the East China Sea is an important factor in the calculations of Beijing, Tokyo, and Washington because unresolved sovereignty flashpoints coexist in the same water-space with crucial sea lanes for both China and Japan (six of China's 10 largest commercial ports can be accessed only via the East China Sea).<sup>46</sup> Because that area is the home waters of Asia's two most powerful countries, it is a major security zone for both.

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<sup>45</sup> The most up-to-date detailed analysis as of April 2013 is Stephanie Kleine-Ahlbrandt, "Dangerous Waters: China-Japan Relations on the Rocks," *Background Report*, International Crisis Group, Asia Report No. 245, 8 April 2013.

<sup>46</sup> Shanghai, Qingdao, Ningbo, Tianjin, Xiamen, and Dalian.



## Research findings

The ECS is home to the two sovereignty issues that could cause the United States and China to engage in open combat: Taiwan, and the Senkaku/Diaoyu Islands. In both cases, Washington is directly involved because of security obligations.<sup>47</sup> Because of these obliga-

<sup>47</sup> The Taiwan Relations Act (TRA) applies in the case of Taiwan (the Republic of China), and the U.S.-Japan Security Alliance applies to the Senkakus because the islands are under the administrative control of Ja-

tions, U.S. forces in the Western Pacific have an explicit mission to deter Chinese aggression against either Taiwan or Japan. Deterring a Chinese attack on Taiwan has been a factor in the Sino-U.S. security relationship since the Korean War. Since Washington dispatched two aircraft carrier battle groups to the vicinity of Taiwan in 1996 as show of resolve, the credibility of the U.S. commitment has not been in doubt in China.<sup>48</sup> Fortunately, the prospect of war over Taiwan seems very low today, and, arguably, the political relationship between Taipei and Beijing is as good as it has ever been. Nevertheless, the use of force is deliberately stated as a viable Chinese option, thus ensuring that Taiwan remains at the center of the Sino-American security universe.

In the Senkakus, the stakes are high because Asia's three great powers—China, Japan, and the United States—are all directly involved. The Japanese do have administrative control (a situation that China is trying to change), and they have a very capable navy and air force. On the other hand, the Senkakus are within easy range of the PLA's land-based air power. The United States is directly involved because the U.S.-Japan Security Alliance covers territory under Japanese administrative control—as these islands are. If China elected to use force against Japan over these islands, there is a very real possibility that the United States could become directly involved

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pan. If the United States were to become involved in a China-Taiwan conflict, it would not be because of a formal treaty obligation. It would be legally justified because of the TRA—legislation passed when Washington de-recognized the Republic of China (ROC) and recognized the People's Republic of China (PRC). This caused the United States to abrogate its Mutual Defense Treaty with the ROC. The TRA provides an implied guarantee of U.S. military involvement should China attack Taiwan. That said, the United States has made clear that any decision on involvement would be made in the context of actual events. Given the significance of a decision to enter into war against China, it not only would not be automatic but would clearly involve consultation between the president and the Congress.

<sup>48</sup> The driver behind the military modernization that is providing China with what the PLA calls its *counter intervention strategy* and what the United States calls *anti-access/area denial*, has been the assumption that if China has to resort to force against Taiwan, the PLA will have to deal with U.S. military intervention.

China has been escalating its efforts to force Japan to acknowledge that its claims to sovereignty are not in fact “indisputable.” China has been the *provocateur* in the sense that it exploits perceived provocations by deliberately over reacting in order to change the status quo in its favor. It has been doing this by continually testing Japanese resolve with civil aircraft overflight and civil maritime incursions into the territorial waters of the Senkakus; that is, it is essentially challenging Japan to respond to what it considers a violation of its sovereignty. These incidents have been carefully calibrated to keep the pressure on Tokyo without going too far and triggering a conflict. Beijing is clearly playing a risky game, and presumably believes it can control escalation and not let the situation lead to accidental conflict.<sup>49</sup>

**Washington must be clear with Japan that our treaty obligation is rock solid but is not a blank check for escalatory activities. It must also clear convey that it expects Japan to be in the lead in defending its own territory if conflict does break out over the Senkakus. The United States should support Japanese efforts in areas where Japanese capabilities do not exist or are inadequate.** Secretary Clinton’s statement of January 18, 2013, provides a clear USG position on China: “We oppose any unilateral actions that would seek to undermine Japanese administration, and we urge all parties to take steps to prevent incidents and manage disagreements through peaceful means.”<sup>50</sup> This position was subsequently publicly repeated by Secretary of State John Kerry in Tokyo and Secretary of Defense Chuck Hegel at the Pentagon following a meeting with Japan’s Defense Minister.<sup>51</sup>

**The December 2004 Chinese Defense White Paper stated an explicit objective to win command of the sea. This raises an immediate question: How much of the sea—that is, what distance from the mainland of China—is the PLA thinking about?** Nothing official has been published that would clarify this point. However, there is a consensus among experts that China’s vision of command or control of the seas

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<sup>49</sup> Kleine-Ahlbrandt, “Dangerous Waters.”

<sup>50</sup> Andrew Quinn, “Clinton assures Japan on islands, invites Abe to US in February.” <http://www.reuters.com/article/2013/01/18/us-japan-usa-idUSBRE90H1AX20130118>

<sup>51</sup> <http://www.state.gov/secretary/remarks/2013/04/207483.htm>

is closely related to its ability to provide land-based air cover out to about 200-300 nm from its coast—in other words, the operational radius of its fighter aircraft. Based on this formulation, the result is a requirement for the PLA Navy, Air Force, and Second Artillery to “control” what China terms its “near seas”: the Yellow Sea, the East China Sea, the Taiwan Strait, the Tonkin Gulf, and the South China Sea. That is, at this stage of military development, China’s sea control zone is essentially defined by the “first island chain.”

**The combination of economic and geo-strategic factors related to security have merged to form the strategic motivation for a historically unique Chinese defense perimeter that extends hundreds of miles to sea, and at a minimum encompasses the ECS.** China has been working on making the East China Sea a no-go zone in case of conflict with its neighbors or with the United States. As China improves its defenses, the security situation becomes worse for countries that live in its shadow, such as Japan, Korea, and Taiwan. China is creating what academics call a “security dilemma”—its defenses are becoming so effective that its neighbors now worry about their own security.

**The East China Sea is the “home waters” of both Japan and China. As the Chinese surface warships stationed in the North and East Sea fleets grow in size and technical sophistication, the PLA Navy will want to conduct operations and exercises in the deeper and less congested water of the Philippine Sea. To do so, they must pass through the internationally recognized straits of the Ryukyu chain, increasing Japanese anxiety about the security of the Southern Ryukyu Islands.**

The April 2010 encounter between two destroyers of the Japanese Maritime Self-Defense Force (JMSDF) and the eight warships and two submarines of the PLA Navy received a great deal of public attention, because it was the largest number of Chinese warships ever to transit through Japanese waters. The Japanese correctly see this as a portent of the future as the PLA Navy works to gain open-ocean experience.

One result of increased Chinese activity in the East China Sea has been a revised Japanese defense posture. Japan’s defense minister told the *Wall Street Journal*, “Japan has 6,800 islands, and territory that stretches over 3,300 kilometers [2,000 miles]; it is necessary to have troops at its southwestern end to beef up our warning and surveillance capability. We must defend without fail our sovereign rights and

our land which includes the Senkaku Islands....We must strengthen our overall defense capability in the southwest.”<sup>24</sup> This statement was made prior to the heightened tensions over Senkaku/Diaoyu witnessed during the late fall 2012–winter 2013.

## Chapter 6. Yellow Sea

The Yellow Sea and East China Sea are coterminous, and thus were both included in the study report on the East China Sea. However, for clarity, the Yellow Sea is being addressed as a separate chapter in this report.

The Yellow Sea is one of the world's largest continental shelves covered by shallow water—the average depth is only 144 feet. It is a rich fishing area for both Korea and China, and, as a result, suffers from over-fishing and the concomitant conflicts between all three parties over disputed fishing grounds. About 600 million people live in the Yellow Sea catchment area, and more than a dozen urban areas there have populations over 1 million people.



## Research findings

**There are reasons to believe that a maritime incident between the two Koreas could break out in the Yellow Sea (which Koreans call the West Sea) and result in a major conflict on the Korean peninsula.** The Yellow Sea has been the scene of numerous naval incidents since the signing of the Korean War Armistice Agreement in 1953. Since the late 1990s, these incidents have been characterized by brief clashes between the navies of the two Koreas in the relatively confined waters near the Northern Limit Line. In 2010, the character of these incidents escalated as North Korea carried out a covert attack that sank an ROK Navy corvette (*Cheonan*) and eight months later launched an artillery attack on one of the islands controlled by South Korea.

A new element has just been introduced to the maritime dimension of inter-Korean hostility. In February 2013, shortly after Pyongyang's third nuclear weapon test, the ROK Navy announced that its surface combatants were being outfitted with conventionally armed land-attack cruise missiles that could reach any target in North Korea. Heretofore, it had been defensively focused on preventing North Korean interdiction of supply sea lanes and infiltration during wartime, and infiltration of agents and coastal raids during "peacetime." The ROK Navy now has an offensive capability avowedly aimed at North Korea; it seems likely that its operations in both the Yellow Sea and the Sea of Japan will attract greater North Korean attention.<sup>52</sup>

**By giving the impression that it is trying to make the Yellow Sea a maritime keep-out zone for U.S. Navy ships, Beijing has effectively made the United States more conscious than ever of the need to exercise its high seas freedoms in this body of water.** In truth, the Yellow Sea is not a comfortable operating environment for U.S. Navy surface forces. It is very shallow, is crowded with fishing boats and large commercial vessels, has limited sea room, is within the tactical operating area of many land-based aircraft, and is home waters for a large number of Chinese and North Korean submarines. Other than showing support for South Korea by sending deterrence signals to

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<sup>52</sup> Reuters, "South Korea unveils missiles it says can hit North's leaders," February 14, 2013, <http://news.yahoo.com/south-korea-unveils-missile-says-hit-norths-leaders-044338170.html>.

Pyongyang and periodically exercising high seas freedoms, USN surface warships are not likely to use the Yellow Sea as a frequent operating area.<sup>53</sup>

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<sup>53</sup> For example, in February 2012 eleven USN and ROK Navy ships along with six aircraft spent five days practicing anti-submarine warfare in the Yellow Sea. The exercise served to both improve ROK Navy ASW skills and to send a signal to Pyongyang. The investigation following the sinking of ROKN *Cheonan* revealed weaknesses in ROKN ASW training that exercises such as this are intended to rectify. Article by Jon Rabiuff and Yoo Kyong Chang, "US, South Korea hold anti-sub exercise in Yellow Sea," *Stars and Stripes*, February 21, 2012.

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## Chapter 7. The Sea of Japan

The report on the Sea of Japan includes an introductory essay on the historic role of Sea of Japan as a frontline during the Cold War, along with a more detailed analysis of the dispute between Japan and South Korea over the Dokdo/Takeshima Islands. It also includes an essay by Dr. Dmitry Gorenburg of Harvard's Davis Center for Russian and Eurasian Studies, which explores Japan's other Sea of Japan dispute—the one with Russia over the Southern Kuril Islands or Northern Territories.

Compared to East Asia's two other major maritime basins, the East China and South China seas, both of which have serious territorial disputes that run the risk of escalating to conflict, the Sea of Japan is relatively tranquil: the troublesome territorial disputes between Japan and South Korea and between Japan and Russia remain latent and have not become active confrontations. But *latent* does not mean *inconsequential*. Both of these disputes roil diplomatic relations among the disputants, and, as a result, impede closer, more cooperative relations. This in turn negatively impacts on the long-standing U.S. policy objective of sustainable Republic of Korea-Japan security cooperation.



## Research findings: Dokdo/Takeshima Islands

**The dispute over Dokdo/Takeshima should have been settled in 1951 by the United States.** The Japanese claim to Takeshima dates to 1905, when Tokyo annexed the islets under the international law provision of *terra nullius*, meaning that it was annexing unoccupied land. Korea, on the other hand, claims that Dokdo was first incorporated into the Korean Shilla Dynasty in 512 AD. The sovereignty question became very confused following Japan's surrender in 1945 and during the subsequent six years of U.S. occupation of Japan, when the rocks were used as a bombing range. Occupation authorities never completely sorted out who had sovereignty, and when the U.S.-Japan Peace Treaty was signed in 1951 the question was left unaddressed. South Korea moved into this vacuum, and peremptorily occupied the Dokdo in 1953. Today, the United States takes no official position on the sovereignty of Dokdo/Takeshima.

**The conflict over Dokdo/Takeshima has an economic dimension.** Both South Korea and Japan consider the ownership of Dokdo/Takeshima as the basis for EEZ claims over the surrounding waters. At stake are economic sovereignty claims to about 16,600 square nautical miles of sea and seabed, including areas that may hold some 600 million tons of gas hydrate (natural gas condensed into semisolid form). Gas hydrate is potentially a next-generation energy source that could be made into liquid natural gas if adequate technology were made available. The islands are also surrounded by fertile fishing grounds—and, as both sides are worried about depletion of fish stocks in other parts of the world, they must rely more on waters closer to home.

**The Dokdo/Takeshima dispute has a negative impact on the U.S. rebalance to Asia strategy.** The dispute over Dokdo/Takeshima is a significant factor in the ill will between Seoul and Tokyo. It is an ongoing spoiler in bilateral relations, because the dispute is part of the larger debate over shared South Korean-Japanese history. This debate routinely derails the U.S. policy objective of building a sustainable bilateral security relationship between America's Northeast Asian allies.

The persistence of periodic flare-ups between Japan and South Korea over the history question has been a continued source of disap-

pointment and frustration for U.S. officials and security experts, and is counterproductive to Northeast Asian stability. In particular, it greatly limits the possibilities of navy-to-navy cooperation, which is important because the navies of South Korea and Japan are among the world's most modern and capable. In an environment of decreasing resources, ROK-Japan-U.S. naval cooperation will be a critical factor in helping the United States achieve and maintain a balanced combination of assurance and dissuasion to create a conflict-free environment.

**U.S. policy options:** Because Washington, as a matter of policy, chooses not to take a position on disputed sovereignty claims that do not directly involve the United States, it has not become involved in the Dokdo/Takeshima dispute beyond advising restraint and dialogue. That has had little to no impact. All of the many disputes in East Asia involving disputed sovereignty have unique characteristics. The Dokdo/Takeshima issue is unique in that it is a disagreement between two democratic states that are both long-time treaty allies of the United States. That fact does provide a pretext for a more proactive policy by Washington.

The reality is that the only way the South Koreans will relinquish control is if military force is used to eject them. Once accomplished, this would require the maintenance of enough military capability in the vicinity, on a more or less permanent basis, to ensure that South Korea could not take them back. It is hard to imagine that Japan would ever be willing to attempt this, or could amass the capability to actually sustain control if it ever did seize the islets. This suggests that the use of force by Japan is out of the question. In effect, South Korea's de facto control is permanent. That being the case, the sensible policy for Tokyo is to pursue a bargain in which it relinquishes its sovereignty claim in return for an understanding on an equitable division of resources. This is an agreement that Washington could agree to broker.

## **Research findings: Southern Kuriles/Northern Territories**

The territorial issue surrounding four small islands at the southern extremity of the Kurile Island chain is relatively straightforward. The islands were Japanese territory until the Soviet Union occupied the entire Kuril Islands chain and southern Sakhalin Island in late August

1945. Soviet possession of these territories was decided at the Yalta summit in 1945. The entire population of the four southern Kuril Islands was expelled in 1947 and resettled in northern Japan.<sup>54</sup> Unlike the other territorial disputes over islands and rocks throughout East Asia, the US government has taken sides in this dispute; it has consistently supported the Japanese position.<sup>55</sup>

In 1956, Japanese negotiators reached an agreement with their Soviet counterparts to settle the dispute by transferring the two smallest islands to Japanese control in return for a Japanese renunciation of all claims to the two largest. This deal was scuttled as a result of pressure by the United States, which threatened to keep control of Okinawa if Japan accepted this compromise.<sup>56</sup> In the end, the Soviet Union and Japan signed a joint declaration that ended the state of war that had existed between the two sides since 1945 but postponed the resolution of the territorial dispute until the conclusion of a formal peace treaty between the two states. The text of the declaration stated that the Soviet Union agreed to hand over the two small islands but that the actual transfer would only occur after the conclusion of a peace treaty.<sup>57</sup> This peace treaty was never completed and the territorial dispute persists to the present day.

**U.S. policy options:** With neither the Russian nor Japanese leadership in a position to take the political risks that would be necessary to resolve the dispute, the status quo is virtually certain to continue for the foreseeable future. However, this will not prevent the two coun-

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<sup>54</sup> Kanako Takahara, "Nemuro raid survivor longs for homeland," *The Japan Times Online*, September 22, 2007.  
<http://www.japantimes.co.jp/text/nn20070922w1.html>.

<sup>55</sup> Andrew Anderson, "Southern Kuriles/ Northern Territories: A Stumbling Block in Russia-Japan Relations," 2010,  
<http://www.conflicts.rem33.com/images/Asia%20Pacific/NORTHERN%20TERRITO%20Text.htm>

<sup>56</sup> James E. Goodby, Vladimir I. Ivanov, Nobuo Shimotomai, "*Northern territories" and beyond: Russian, Japanese, and American Perspectives*, Praeger Publishers, 1995.

<sup>57</sup> "Texts of Soviet-Japanese Statements," *New York Times*, October 20, 1956.  
<http://query.nytimes.com/mem/archive/pdf?res=F40C15FB3C5F147B93C2AB178BD95F428585F9>.

tries from continuing to strengthen their relationship in other spheres, as both sides seek to protect themselves from the economic and political consequences of China's rapid emergence as the preeminent East Asian power. As trade in energy expands and bilateral security cooperation deepens in the coming years, the territorial dispute left over from World War II will become increasingly irrelevant to both the governments and the public. This development could in turn allow for a compromise solution to emerge 10-20 years down the road. Given this assessment, the best U.S. policy option is to continue to stay out of the dispute.

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## Chapter 8. Concluding thoughts

**China is ubiquitous along the Long Littoral:** From the Arabian Sea to the Sea of Japan, China is a key actor. China depends on oil that comes from the Persian Gulf and West Africa, and is understandably concerned about its safe passage to China. Its welcomed participation in anti-piracy deployments for over four years has enabled the heretofore unprecedented involvement of the PLA Navy in the Indian Ocean. Between its vast trading network of state owned enterprises (SOE) and its naval presence, China has for all practical purposes knitted itself into the fabric of maritime life of the Indian Ocean littoral. This development has been viewed with some apprehension by India, and has provided a rationale for Indian naval modernization, while at the political level it has resulted in a competition between China and India for influence on, and access to, most of the Indian Ocean's littoral states.

In East Asia, in all of the territorial disputes that now *threaten the peace* of Asia, China is a central participant. In others, e.g., Japan's disputes with South Korea and Russia, China has a strategic interest but no direct involvement. Of note, the United States, by contrast, has explicit or implicit security commitments that entangle it in all these disputes to one degree or another. Without clear policies and understandings with U.S. friends and allies, Washington will be under pressure to fulfill obligations as others choose to interpret them rather than in the way that best serves United States interests. If conflict erupts, unless China is directly involved, Beijing can decide to remain on the sidelines. In none of the disputes does Washington have the initiative; and standing aside will almost certainly raise questions about its reliability and the efficacy of the administration's rebalance to Asia strategy. This project suggests alternatives that Washington could pursue in order to regain the initiative.<sup>58</sup>

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<sup>58</sup> This insight is drawn from Ambassador Chas W. Freeman, Jr., "The Global Impact of Asian Disharmony," Remarks at the Winter Roundtable of the Pacific Pension Institute, February 28, 2013. In author's possession.

**The Indian Ocean littoral has only one major security problem for the United States.** With the very important exception of the problem that Iran poses with its nuclear weapons program and attendant concerns regarding the maintenance of predictable and secure access for oil tankers through the Strait of Hormuz, the Indian Ocean littoral is free of problems that pose a direct challenge to important U.S. security interests. There are concerns, of course: a resurgence of piracy in the Arabian Sea; the incipient Indo-Chinese strategic rivalry along the Indian Ocean littoral; and the near certainty that a natural disaster in the Bay of Bengal will create a demand signal for temporary U.S. military humanitarian assistance. These concerns, with the exception of Iran and the Strait of Hormuz, do not pose the kind of challenge to U.S. interests as those that Washington faces in the Western Pacific.

**While similar problems exist in all of five maritime basins the particulars in each case are so diverse that it would be a mistake to attempt to generalize solutions, (e.g., territorial disputes, conflicting maritime claims, naval rearmament, and anxiety over sea lane security.)** Of all of these concerns, it is the problem of sovereignty disputes over islands, rocks, and shoals in the South and East China seas, and the Sea of Japan that are the most intractable, and are the most likely to cause an outbreak of violence. In many ways it is disputed sovereignty that drives other issues such as naval rearmament, assertive maritime behavior and overlapping maritime claims. Currently, no matter who the claimant is, if it is in actual control of islets or other features, it insists its claims are “indisputable.”

Over the past 18 months China has shown a willingness to be more assertive whenever the opportunity presents itself to alter the status quo in its favor. But Vietnam, Japan, and South Korea are also tough minded about their claims; in no case are any of the parties to these disputes that are currently in effective control of a land feature willing to use the International Court of Justice (ICJ)<sup>59</sup> to resolve sovereignty. This observation applies to China’s claim to the Paracels,

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<sup>59</sup> The Internal Tribunal for Law of the Sea (ITLOS), which sits in Hamburg, Germany, is not authorized to explore sovereignty issues, because the UNCLOS treaty does not address sovereignty. In other words, ITLOS has no jurisdiction when it comes to sovereignty.

South Korea's claim to Dokdo, and Russia's claim to the Northern Territories. This observation also applies to all parties who have claims to all or some of the Spratlys. (Were China to take the Senkaku/Diaoyu dispute to the ICJ, Japan would likely agree to adjudication; but Tokyo currently has no intention of initiating the process.)

**Our analysis suggests that it would be premature to make too much of the notion of an Indo-Pacific, or Indo-Asia-Pacific.** The Indo-Pacific, or Indo-Asia-Pacific, is a way to describe the interconnectedness of the Indian and Pacific oceans; it is an accurate way to describe the AOR of the U.S. Pacific Command; it is a good way to make certain that India is included when thinking about Asia; it is a useful way to characterize how U.S. forces are postured from Kuwait to Japan; and it is a good conceptual way to consider the maritime implications of the process of economic, societal, trade, and, to a lesser degree, political integration that is taking place across Asia today. Nevertheless, in terms of the security challenges the United States faces, it is not yet a compelling enough paradigm to supplant the predominant Asia-Pacific focus of U.S. national strategy. Nor is it compelling enough to recommend a reorganization of the Asian policy bureaucracy within the U.S. government.

**All of the security issues along the "Long Littoral" that are of direct import to the United States are maritime in nature; which means that credible maritime and air presence is required to ensure these security issues do not erupt into conflict.** Even the Korean peninsula, where U.S. forces are postured to repel an invasion, has an important maritime dimension. The exploration of each of the major maritime basins that make up the Long Littoral illustrates the strategic wisdom of a national strategy that judges that the United States is best able to preserve its interests by remaining off-shore. Since the Battle of Leyte Gulf in 1944, the United States has controlled the Pacific maritime littoral. That control was only briefly contested in the waning years of the Cold War, when Soviet naval capabilities began to extend beyond coastal defense. Now, it is being contested again, and in a much more serious way.

Today, China has developed its own adaptation of the Soviet approach to denying U.S. naval and air forces complete freedom of action in the Western Pacific in case of conflict. China is in the process

of extending its defense perimeter hundreds of miles to sea. It is doing so in a way that could make it difficult for the United States to honor its security obligations should one of its East Asia allies become the subject of aggression. In a nutshell, China is knitting together a system of systems comprising a growing submarine force, land-based aircraft with anti-ship cruise missiles, and ballistic missiles that can hit a moving ship. This posture is coordinated by a sophisticated surveillance and information-gathering system that covers the vast Western Pacific.

Some analysts believe that China's ultimate objective is to push U.S. naval and air capabilities out of the Western Pacific. Whether this is an accurate assessment or not, is really not relevant because short of war it cannot be attempted. The U.S. military will remain a fixture in the region as long as Japan is willing to host much of it and the United States is willing to remain militarily engaged in East Asia.

It is unlikely that China will halt development of what it considers necessary for its defenses. But it is also clear that the United States does not intend to sit idly by and permit the introduction of military capabilities that could deny it access to East Asia in a time of conflict, and in peacetime undermine its credibility as a capable ally. This is the problem the Pentagon's Air Sea Battle is intended to deal with.

Thus, it seems likely that for the foreseeable future the Indo-Pacific littoral, especially in the Western Pacific, will witness a "military capabilities competition" in which China introduces capabilities that could deny access, while the U.S. military, especially the Navy and Air Force, introduces capabilities that will assure access. It will be a period of competing strategic concepts—assured access vs. denied access, manifested by the introduction of military capabilities by both sides to accomplish these ends. The winner of this competition will be determined only in case of a massive failure of statecraft that results in a Sino-U.S. war.

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