

THE CHANGING BALANCE OF POWER IN THE ASIA-PACIFIC REGION AND OPTIMUM US DEFENSE STRATEGY AND US AIR FORCE STRATEGIC POSTURE

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THE CHANGING BALANCE OF POWER IN THE ASIA-PACIFIC REGION AND OPTIMUM US DEFENSE STRATEGY AND US AIR FORCE STRATEGIC POSTURE

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This paper provides: an assessment of where US interests conflict with China's, particularly in the East and South China Seas and Taiwan; an evaluation of China's maritime expansion and anti-access and area denial (A2/AD) strategy; an assessment of pressures that are stressing US alliances and partnerships, particularly with Japan and Taiwan; an evaluation of the US rebalance and the prospects for multilateralism and interoperability; an examination of the prospects for conflict and convergence from 2020-2040; an analysis of US access, force presence, and basing issues in the Asia-Pacific region; and an assessment of optimum US defense strategy and US Air Force strategic posture for projecting power despite various challenges.

RESEARCH METHODOLOGY

The evidence for analysis and assessment comes from interviews with US officials and local experts in government, think tanks, universities, and media. This research report reflects a range of views of more than 30 experts interviewed in Japan, Taiwan, Hong Kong and Macau.¹ The researcher synthesizes views and assesses trends in the region and China's intentions and motivations as well as the impact and potential effects of the US rebalance. Finally, this synthesis enables an assessment of optimal US defense strategy and USAF strategic posture.

FIELD RESEARCH LOCATIONS

Japan was chosen, because it is the most important and capable US ally in Asia, though with considerable constitutional and political constraints. The country has the most intense relations with China of any country in Asia, which leads to periodic diplomatic spats and to confrontations in the East China Sea (ECS) over the Senkaku/Diaoyu Islands. Japan continues to face pressures from China that stress the US-Japan alliance. Japanese leaders have been the most concerned about China's rise and frequently express a desire for US reassurance. However, recent developments, including the Liberal Democratic Party (LDP) government's reinterpretation of the constitution, promise gradual upgrades in capacity, capabilities and interoperability. The reinterpretation also enables Japan to continue to increase the level of security assistance to Southeast Asian states. Ultimately, Tokyo must be concerned about China's potential to disrupt Japan's supply of energy from the Middle East.

* The opinions expressed in this report are those of the author and do not necessarily reflect the opinions and policies of the US Air War College, the US Air Force, the Department of Defense, or any other US Government branch.

The other reason to conduct field research in Japan was the opportunity to visit US Forces Japan (USFJ) and the 5th Air Force at Yokota Air Base. Senior officers and officials there provided insights into US defense strategy and USAF posture in the Asia-Pacific region, as well as views on the future of US-Japan military cooperation.

Taiwan was visited for research because the island state is the lynchpin in the “first island chain” closest to China joining the ECS to the South China Sea (SCS) (see map 1 in Appendix A). Of all the countries in East Asia, Taiwan is the one country that China can presently blockade and sever energy importation links.² If China manages to absorb Taiwan, the Peoples Liberation Army Navy (PLAN) will have unfettered access to the Pacific. Taiwan has a security guarantee from the United States, as long as it does not declare independence from China. Taiwan also has de facto relations with Japan, the Philippines, and Vietnam.

In addition, Taiwan has had an interest in the Senkaku/Diaoyu Islands and continues to uphold the “nine-dash line” in which China claims sovereignty over the entire South China Sea. The pro-independence Democratic People’s Party (DPP) won the January 2016 elections and took power in May, which is causing tensions with the Peoples Republic of China. The issue is what the United States can do to prevent the eventual absorption of Taiwan into China.

Hong Kong and Macau were selected because they are major port cities with high interest in freedom of navigation (FoN) in the SCS and ECS. Both are media and academic centers with an eye on China, as well as Japan, Taiwan and Southeast Asia (SEA). They are well-situated to elicit a range of views on China’s intentions, the “stressing” of US allies/partners, and the future of the SCS and ECS. Furthermore, universities in both locales are being tasked by Beijing to set up “one belt one road” centers to research China’s maritime and overseas links with the Middle East, Africa and Europe.

ANALYZING CHINA’S INTERESTS, BEHAVIOR AND INTENTIONS

Most scholars and experts have used defensive realist theory to frame analysis of China’s interests, behavior and intentions.³ Defensive realists contend that states in an anarchic international system are concerned about survival and preservation of the status quo. Accordingly, states like China weigh the costs and benefits of their actions in pursuing and protecting their interests and are careful not to upset the status quo. States will be willing to compromise if the costs of fighting for their interests are too high.⁴ Accordingly, the argument is that China has been engaged in pursuit and defense of its growing interests in the ECS and SCS by protecting military bases, expanding buffer zones, slowly absorbing Taiwan, and securing oil and gas fields, while taking care not to be overly assertive and disrupt the status quo.⁵ Due in part to proximity, China’s interests in the ECS and SCS are greater than those of the United States. This disparity of interests makes it logical for China to be more assertive and engaged in active defense and creates challenges for the United States to convince China of its resolve. In sum, if China is

driven by defense of its interests, Beijing could eventually be influenced to compromise once various ways are imposed to raise the cost of expansion.

The principal goal of President Xi Jinping and the Chinese Communist Party (CCP) leadership in Beijing is to fulfill the “China Dream,” with a growth rate of 6-7% so that citizens continue to experience rising standards of living; more people are able to move from the countryside to urban areas; and the country can transition from an export-oriented economy to a consumer-driven one. This means that China would like to avoid major conflict with the United States. Given China’s need to have a sustainable source of imported energy, its leaders have embarked on the “New Silk Road” and “One Belt, One Road” strategies, which integrate overland and maritime routes.⁶ Accordingly, Beijing is building massive infrastructure projects from China to the Middle East, Africa, and Europe; through Central Asia as well as through the SCS, ECS, and Indian Ocean; and is expanding its military presence. In addition, there is evidence that some of China’s leaders would like to consolidate hierarchical relations with compliant neighbors as existed during the hegemony of Imperial China. In the long run, China would like to secure sovereign control over most of the ECS and SCS with the “nine dash line” largely accepted by neighboring states. Oil and gas operations and fisheries would be secured. There would be space for the PLAN to operate unimpeded. China would be able to regulate US military navigation and air travel.

Evidence for the defensive realist argument is found in China acting to meet the country’s growing demand for energy, protect its coastline and military installations, and profit from interaction with weaker neighbors. Since 2008, China has chipped away at the influence of the United States and its allies and partners in the region while occasionally engaging in provocative actions. By staying on this path, China eventually might be in the position to gradually gain a dominant position in the SCS and ECS and diminish the role of the United States, while avoiding conflict. China could continue to expand its claims in the SCS and ECS and become a dominant power without threatening FoN and overflight rights. Until recently, this appears to have been the course of action to which China’s leaders adhered with occasional outbursts of aggressive behavior.

China is engaged in active defense of its interests and rejects US military activities near its coast. In particular, China has taken measures against US electronic surveillance of the PLA’s Southern Command and nuclear submarines with submarine-launched ballistic missiles (SLBMs) in and around Hainan Island. China reads the UN Convention on the Law of the Sea (UNCLOS) to mean that “research,” including US electronic surveillance, is not permitted within its two hundred mile exclusive economic zone (EEZ).⁷ Accordingly, in 2001 a US P-3 was brought down by a PLA Air Force (PLAAF) fighter; in 2014 a US P-8 was harassed; and in 2016 another P-3 was harassed; all incidents occurred approximately 200 kilometers (120 miles) off Hainan. In 2009 the PLA Navy and Air Force and paramilitary forces harassed the USS Impeccable and attempted to sever its towed sonar array 75 miles

off Hainan Island. In December 2013, a PLAN vessel came close to colliding with the USS Cowpens. China believes that the United States is trying to move its surveillance activities even closer to the PLAN submarine bases on Hainan Island. Past evidence and current tensions lead one to conclude that harassment incidents by China will continue and may expand. The possibility exists of China imposing an Air Defense Identification Zone (ADIZ) in the SCS, which would follow on the heels of an ADIZ declared by China in the ECS (see Map 2). Evidence for this comes from warnings that have been given since May 2015 by the PLAN to US military aircraft and naval vessels which have come within twelve miles of the seven newly constructed Chinese outposts in the Spratly Islands.

In maneuvering to secure greater control over its interests in the ECS and SCS, China has used its fishing fleet and coast guard, with the PLAN as a backup force against Japan and the Philippines and more recently Indonesia. The Chinese Coast Guard conducted operations against the Japanese Coast Guard in the Senkaku/Diaoyu Islands and has continued harassing the *Sierra Madre*, a rusting hulk occupied by the Philippines military on Second Johnson Atoll off its coast. China has also been putting pressure on other Philippine and Vietnamese outposts in the Spratly Islands, particularly by the massive building and militarization of seven outposts, with Fiery Cross Reef as a PLAN command center (see Maps 3 and 4).⁸ Furthermore, China has annexed its outposts and the area within the nine dash line as part of “Sansha County” of Hainan Province.⁹

China continues to expand exploration activities in the ECS and SCS as part of its hunt for much-needed energy. Chinese experts estimate that there is five times more oil and gas in the ECS and SCS than US Energy Information Agency estimates.¹⁰ The Chinese National Offshore Oil Company (CNOOC) is now exploring for oil and gas in the EEZs claimed by Malaysia, the Philippines, and Vietnam, which is causing concern in those countries.¹¹

From China’s perspective, its leaders have viewed the US rebalance to Asia with concern for several years, especially with the US announcement of the “Air-Sea Battle” to counter China’s anti-access and area denial (A2AD) operational concept. They have feared that the United States is pursuing a containment policy that had to be thwarted. Also, China’s leaders have suspected that the United States has been behind confrontations with the Philippines, Vietnam, and Japan as part of containment. Also, they have believed that the US-promoted Trans-Pacific Partnership (TPP) constituted economic containment (see Map 9).¹² China has countered by pushing for the Regional Comprehensive Economic Program (RCEP) that excludes the United States. China has also launched the Asian Infrastructure Investment Bank (AIIB), which will rival the World Bank, and which all ten Association of Southeast Asian Nations (ASEAN) states, Britain, France and other US allies have joined.¹³

China’s leaders have found it difficult to engage in constructive dialogue with the United States about the SCS and ECS. However, in the past few years, there has been some mitigation of the negative

view in China of the United States and the rebalance thanks partly to the strategic and economic dialogue between the two countries. Many Chinese leaders now understand that the rebalance does not mean a new Cold War. Also, most Chinese analysts and officials today understand that the TPP is a regional economic scheme and not necessarily aimed against China, and they have greater confidence that China can eventually join. Even though Chinese leaders are not as fearful of US intentions, they still have security concerns; for instance, they believe that the United States continues to incite the Philippines and Japan to take actions against China and are angered by US Freedom of Navigation Operations (FONOPs) and overflights in the SCS.¹⁴

During China's "peaceful rise" phase (2000-8), it signed the ASEAN-sponsored "Declaration on a Code of Conduct" (CoC) for the SCS at the 2002 ASEAN Regional Forum (ARF), which included a moratorium on new construction on islands, rocks and reefs in the sea.¹⁵ However, China did not follow through on its commitment and continued to expand in the SCS. Furthermore, China remained opposed to negotiating a binding CoC because it wanted to continue adherence to the nine dash line, outpost construction, and energy exploration. China has continued to disdain multilateralism through the ARF and CoC, preferring bilateral talks with ASEAN states so that it could pressure its weaker neighbors and use carrots and sticks to influence individual leaders.

China has shifted the Asian strategic balance through robust diplomatic and economic engagement and military pressures.¹⁶ Using aid, trade and investment, China has developed influence with most Southeast Asian countries and has been stressing US allies and partners and causing some to hedge. This influence was especially evident when smaller mainland states (Cambodia and Laos) reversed their previous support for the ASEAN CoC for the SCS. At the 2012 ASEAN summit and ASEAN Regional Forum (ARF), Cambodia actively opposed the CoC and fractured ASEAN consensus on moving forward on the code. However, in June 2015, President Xi Jinping announced suspension of new construction in the SCS, while continuing to assert China's rights in the SCS. China also announced a renewed intention to negotiate a binding CoC with ASEAN.¹⁷ In addition, Xi's Maritime New Silk Road strategy of massive infrastructure assistance to SEA nations to link China with the Indian Ocean would appear to require an eventual end to the surge of outpost construction and the beginning of improved relations with Vietnam, Malaysia and the Philippines to pave the way for Chinese infrastructure projects in those countries.¹⁸ In sum, defensive realists would conclude that China has adopted a strategy of "two steps forward and one step back" and is not aggressively trying to change the status quo in the SCS.¹⁹

Constructivist theory explains the People Republic of China's claim over the entire SCS as driven by its leadership's expansive conceptualization of itself as a successor to Imperial China and its dominant role in Asia and the SCS and ECS for centuries before the Americans arrived.²⁰ This self-conceptualization infuses China's strategic culture. If an expansive strategic culture is the leadership's

driving force, China's behavior would be difficult to change, compromise would be unlikely, and the state would be more likely to use force, especially in territory that is considered to be part of the homeland.²¹ Evidence for this constructivist argument is most clearly seen in arguments in the leadership's defense of the "nine dash line." The line has no real basis in line with the UNCLOS. Instead, it is a conceptualization that comes from Chinese leaders in the post-World War II era, asserting that the SCS was theirs based on historical precedent.²² Imperial China once dominated the SCS and the People Republic of China's leaders as successors assert the right to do so. China ratified UNCLOS in 1996 and declared that the nine dash line was "historically based" in the course of more than a thousand years and several dynasties.²³ Accordingly, China has not submitted a case to counter the Philippines' UNCLOS case before the Permanent Court of Arbitration (PCA) of the International Court of Justice (ICJ).²⁴ If the PCA UNCLOS ruling invalidates the nine dash line, China is expected to reject the ruling and continue to consolidate its claims in the SCS.²⁵ China's leaders hope that there will be a partial ruling on the thirteen points in the Philippines case and that the nine dash line will not be ruled invalid.²⁶

In regard to the leadership's self-conceptualization and nationalism, the population has been periodically mobilized for decades against affronts to the Chinese nation, particularly in relation to its long-term rival, Japan, and more recently over US activities in the SCS. If the leadership continues to ratchet up the use of the nationalist card as the economy slows down, the probability increases of China using force against US allies and partners and perhaps against the United States as well.²⁷ Nationalism is evidenced by its leaders' statements that historical domination of the SCS and SEA is an integral part of the country's national identity. In general, nationalist appeals have been one of the ways in which the CCP has generated popular support.²⁸ For example, China's leaders whipped up nationalist sentiment over the Senkaku/ Diaoyu Islands in the ECS; as a result, more than half of Chinese surveyed recently expect a war with Japan.²⁹ Further evidence comes from China's claim over almost all of the SCS as sovereign territory, within the nine dash line. Some of the country's more nationalist leaders believe that China owns the sea due to more than a thousand years of dominance before the Americans arrived.³⁰ The territory is designated as part of China in its passports and is taught in schools. The annexation of the area within the nine dash line and administration as part of Hainan Province is additional evidence for the constructivist argument. In 2013 and 2014, the PLAN staged "oathing" ceremonies at James Shoal in Malaysia's EEZ in which PLAN sailors swore to defend the area within the nine dash line.³¹ In June 2015, China enacted a law that declared undersea beds in the SCS to be a national security issue.

"Offensive realist" theorists hold that great powers like China seek to maximize their interests, revise the status quo to their advantage and impose higher costs on adversaries and that the resultant clash of interests means that conflict is inevitable.³² The Hong Kong scholar Baohui Zhang observes that there has been a shift in China's behavior and intentions towards "pragmatic offensive realism,"³³ in which

Beijing is revising the status quo in the SCS and ECS in a process of moving towards inevitable hegemony.³⁴ Similarly, scholars Dingding Chen and Xiaoyu Pu find that China has added “offensive assertiveness” to its repertoire of “defensive assertiveness” and “constructive assertiveness” and is seeking to expand its interests and selectively revise the status quo.³⁵ China’s leaders understand that a power transition is taking place in Asia, which enables them to become more assertive, attempt to revise the status quo and plan for the inevitable takeover of the SCS and ECS and domination of weaker SEA states.³⁶ The pursuit of maximal interests by China and the United States in the SCS and ECS and their inability to gauge each other’s intentions could eventually lead to war.

Evidence for the offensive realist argument has increased since 2013 when the more assertive President Xi Jinping came to power.³⁷ In late 2013, China began massive construction projects on claimed territory in the SCS, creating bases near the Second Thomas Shoal and Mischief Reef, impinging on Philippine claims and causing rising concern in Malaysia and Vietnam. In 2015, China completed seven artificial islands with military facilities, which has been followed by warnings to US aircraft and naval vessels to stay away from what Beijing considers to be sovereign territory.³⁸ In May 2014, President Xi Jinping ordered the deployment of a large CNOOC oil platform in the Paracel Islands in an area that was also claimed by Vietnam.³⁹ In addition to China’s military presence on the islands, the insertion of the oil platform reinforced China’s rejection of Vietnam’s continuing claims on the islands. Under Xi’s direction, China has continued to build up its maritime and air power. He consolidated four maritime forces into one coast guard (or maritime law enforcement agency), making it one of the largest and best-armed in the world.⁴⁰ Xi also led in initiating plans to reduce the PLA by 400,000 and shift priority to building up the PLAN and PLAAF. The massive increase in outpost construction represents a significant escalation of China’s behavior and evidence that China is behaving more in line with the offensive realist argument.⁴¹

Xi’s New Silk Road and One Belt One Road initiatives can also be interpreted as an effort to use his country’s comparative advantage in infrastructure construction to tie SEA and the Indian Ocean more closely to China.⁴² It appears that China will continue to challenge the status quo in the SCS by developing militarized outposts and harassing US and allied aircraft and ships. In the long run, there is the possibility that China may use its growing presence and control in the SCS to hamper energy supplies bound for Japan, South Korea and Taiwan, which would pose an existential threat to those countries (see Maps 5, 6, and 7).⁴³

From the preceding analysis and evidence, the debate over China’s motivations and assertiveness will continue. Until 2012, China appeared to be incrementally advancing in the SCS in protecting what its leaders saw as its territory within the nine dash line, with occasional provocative actions. This behavior tended to validate the arguments of defensive realists that China was merely defending the status quo and

its interests. At the same time, China's leaders continue to argue that the nine dash line has been an integral part of the nation for centuries and that they are successors to the emperors, which conforms to the constructivist argument concerning strategic culture. The leadership's appeals to the people's sense of nationalism over the nine dash line and the Senkaku/Diaoyu Islands are further evidence for the constructivist argument. Evidence to support the offensive realist argument comes from China's recent efforts to change the status quo in the SCS through the escalation of outpost construction with military facilities and warnings to US and allied aircraft and ships to "stop violating China's sovereignty" around those outposts.

If defensive realists are correct, for the United States and its allies and partners, a combination of multilateral diplomacy, balancing and shaming should work to dissuade China from acting to control the entire SCS and persuade it to accept the status quo. If China is now more offensive-minded and continues to adhere to its imperial self-image, greater coercive diplomacy would be required to moderate Beijing's behavior and may not be sufficient. Nationalist fervor may cause China's leaders to escalate in a crisis situation. Given the analysis and evidence, the US rebalance and cooperation with allies and partners to induce Beijing to permanently stop construction and accept a multilateral resolution in accordance with the ASEAN CoC and UNCLOS will be difficult.

China and US Interests in Conflict and Convergence, 2020-2040

The US-China relationship combines a high degree of convergence combined with substantial potential for conflict. This means that relations run on two often contradictory tracks—economic and security, which sometimes leads to differences between the US Department of State and Department of Defense on China policy. The United States and China have a high level of economic interdependence, which translates into a strong mutual interest in preventing conflict from escalating. This convergence has intensified with increasing higher end Chinese goods entering the US market and increasing investment opportunities for US companies in China. The two powers have been engaged in "Group of Two" (G-2) problem solving, with the 2015 agreement on climate change a prime example. In sum, the strategic and economic dialogue has worked to bring greater understanding and cooperation between the two powers.⁴⁴

The fundamental conflict is between US leadership in Asia and China's challenge. This conflict involves influence over traditional US allies and partners as China attempts to woo them. The main issue for the future is US and allied support for FoN and overflight rights as against China's claim to sovereignty over the entire SCS and much of the ECS. A second issue is over US promotion of human rights and occasionally democracy, while the CCP strives to maintain an authoritarian monopoly of power. A third issue is the status quo in regard to Taiwan, with China striving to absorb the island and the United States standing against forceful absorption. In the economic realm, the United States and China are promoting two competing trade regimes, with the US-led TPP and China's leadership in the RCEP,

which excludes the United States. In spite of the rising risk of conflict, China's caution and use of paramilitaries has meant that the risk has remained low. However, China's increasing offensive assertiveness in the SCS is leading to questions about the future.⁴⁵

The trend of growing globalization and economic interdependence will continue to bring convergence between China and the United States. In addition, an unfavorable UNCLOS ruling on the nine dash line combined with pressure from ASEAN states and the United States could influence China to value the "Maritime Silk Road" in Indonesia, Malaysia and elsewhere as well as FoN over ownership of the SCS. In the longer term, the opportunity for Beijing to eventually join the TPP holds out the hope that China will accept the influence of the United States and its allies and partners in the region as well as even greater economic convergence between the two powers. In the most optimistic scenario, there is the chance that China could become a democracy and become less aggressive.⁴⁶ If so, there is a chance that eventually the United States and China may even mount joint patrols in the SCS to ensure FoN.

The principle drivers of potential conflict include China's rising economic and military strength, as well as its expanding interests and long-standing sense of grievance. If China's economy continues to grow at 6% or above, its GDP will be larger than the United States' by 2040. China will increasingly influence neighboring states and draw them away from the United States. Already, China's incremental strategy in the SCS and ECS has been expanding its area of control (see Map8). Moreover, the construction surge of 2014-5 signals that China's incremental approach may be coming to an end and that it may seize control more quickly, which increases the likelihood of restrictions on FoN and overflight rights and, therefore, conflict. Eventually, China will declare the SCS to be "territorial airspace," and the PLA will step up its harassment of US and allied military aircraft. While China has seized control of Scarborough Shoals, it is uncertain if it will move to take over the outposts of the Philippines, Vietnam, Malaysia and Taiwan in the SCS and the Senkaku/Diaoyu Islands.

From now until 2040, China will be increasingly capable of waging a symmetrical war with the United States in Asia, which raises the probability of conflict. Besides China's defense budget, which has been increasing at around 10% for more than a decade, the PLA announced that it was cutting 400,000 personnel from the army and using the resources to build a more capable navy and air force as well as developing "jointness" among the services. By 2040, the PLA will look more like the US military and might initiate conflict in Asia. In stressing Japan and South Korea and their alliances with the United States, China might eventually weaken agreements for US bases in those two countries. There will be "bipolarity" in the SCS and ECS when PLAN ships can stop the US Navy from sailing freely in the first island chain and the US Navy can do the same to the PLAN. This may come sometime between 2020 and 2040.

In 2023, Xi Jinping and his cohorts on the Politburo are supposed to retire, which is not an absolute certainty. By 2020, the new leadership that will take over in 2023 should start to emerge and will be faced with the choice of continuing on the path of offensive assertiveness or changing course and accommodating the interests of ECS and SCS countries. By 2030, China's population aging crisis will be attracting more and more attention of leaders in Beijing, which will mean less attention to external affairs. In 2033 and 2043, new waves of leaders will have to wrestle with the challenges involved. In 2047, China subsumes Hong Kong and can block the United States and its allies from using a major port in the Asia-Pacific region.⁴⁷ By 2050, the leaders of China expect the country to be more powerful than the United States, particularly in the East Asian region.

China's Stressing of US Allies and Partners

China's rise has provided it with the resources and the expanding interests that have made it capable of influencing US allies and partners and drawing them towards a closer relationship with Beijing or confronting the possibility of punishment. The case of China's cultivation of Cambodia and the evolution of Phnom Penh's positions towards opposing an ASEAN CoC on the SCS in 2012 demonstrate the clout that Beijing can wield.⁴⁸ As China grows, its ability to stress neighboring countries will only increase. Indonesia, Malaysia, Myanmar and other states have been struggling to mitigate China's growing influence.

Japan is the most important US ally in the Asia-Pacific region and has felt pressures from China. Beijing has at times applied pressure to Tokyo to move away from the United States and towards China. Among other demands, Beijing has pressured Tokyo to accept China's claims over the Senkaku/Diaoyu Islands and ECS.⁴⁹ The clearest example of China stressing Japan came in 2009, when the Democratic Party of Japan (DPJ) came to power. The DPJ is a collection of politicians, many of whom are not pro-United States. In its first year, the DPJ government leaned towards Beijing, especially given the growth in China's economic influence in Japan. At the same time, the government initiated negotiations to roll back US bases and draw down the number of military personnel in Okinawa and elsewhere.⁵⁰

The DPJ government's positions diverged from the pro-US policies of the LDP, which has governed Japan for almost all of the last sixty plus years. However, a 2010 clash in the Senkaku/Diaoyu Islands involving a Chinese fishing boat and the Japanese Coast Guard and threats to halt imports of Chinese rare earth minerals to Japan compelled the DPJ government to move closer to the United States.⁵¹

In 2013, the LDP returned to power led by Prime Minister Shinzo Abe and implemented a more robust stance in relation to China and advocated a stronger US role in the region. Even so, perceptions persisted of China's rise and US decline in the region as well as skepticism about the US rebalance and its sustainability.⁵² China's strength and expansionism and Japan's weakness were revealed in Beijing's November 2013 announcement of an ADIZ in the ECS. As a result of the PLA Air Force's more

aggressive tactics, the risks of air collisions over the ECS have come to pose the greatest risk to escalation into conflict between the two countries.⁵³

Japan reacted to China's activities in the ECS by increasing its resolve. In October 2015, the government led by Prime Minister Shinzo Abe reinterpreted the constitution to allow military greater freedom of action. The LDP's plan is to develop the Japanese Self-Defense Force (JSDF) so that it can take control of the country's coastal waters. This will free US forces to focus on the SCS and elsewhere. US officials have commented that the JSDF is moving expeditiously—compared to the past—with more joint exercises and the development of special operations forces.⁵⁴ The Japanese Maritime Self Defense Force (JMSDF) has strengths in submarine and anti-submarine warfare and is developing its capabilities.⁵⁵ Given Japan's interest in the sea lanes from the oil and gas producing countries of the Middle East and the SCS, Tokyo has increased security assistance to SE Asian nations and has found ways to increase its security presence there. Also, Japan is working on a status of forces agreement (SOFA) with Australia for regional access in the Asia-Pacific, which is a sign of emerging multilateral defense cooperation.⁵⁶

Japan's Ministry of Foreign Affairs (MoFA) still looks down on the Ministry of Defense (MoD), which demonstrates how the move towards a more assertive military is not Japan's highest priority. However, recent security legislation makes MoD coequal with MoFA.⁵⁷ The JSDF has little "jointness" among land, air and maritime forces and struggles to act as a unified force. There is no equivalent to US Northern Command to defend the Japanese homeland, just an air defense command.⁵⁸ The recently created National Security Council is exploring ways to advance capabilities, and jointness would free up some.⁵⁹ Japan has 300,000 forces and reservists, but is difficult to deploy them. The JMSDF counter piracy task force (CTF 151) led the navy to lead in advocating the 2015 security legislation; however, the JSDF had to agree to restrictions on international deployment in order to pass the legislation.⁶⁰ Experts believe that it will be some time before the JMSDF will be able to operate in the SCS.⁶¹

Japan finds it difficult to increase defense spending, as opposed to China which has increased spending by around ten percent for the past two decades. The Japanese voting public wants to see the government devote as many resources as possible to spurring economic growth after more than two decades of stagnation and dealing with the growing aging crisis; there is not much appetite for more defense spending.⁶² It would take a major escalation by China in the Senkaku/Diaoyu Islands or by North Korea to provoke a dramatic rise in defense spending.⁶³ In sum, China's increases in economic growth and defense spending provide it with growing advantages in its competition and disputes with Japan.

Taiwan, of all the states in the region, has felt the most stress from the People's Republic of China (PRC). This is because most states in the world recognize that Taiwan is part of the PRC and because the PLA has made the absorption of the island its number one security priority. Since 1972,

Taiwan has been reassured by the US security guarantee that China will not be allowed to take over the island by force. However, for the past three decades, the economies of the PRC and Taiwan have become increasingly interdependent, which has provided Beijing with additional leverage over Taipei and has diminished the power of the Taiwan independence movement.⁶⁴ As a consequence of China's rise, the PRC may eventually be able to take over Taiwan peacefully through a "one state, two systems" formula that applies to Hong Kong from 1997-2047.

Under the Kuomintang (KMT) government (2008-16) Taiwan drew closer to the PRC as economic interdependence increased. For example, the KMT agreed to Taiwanese travel to the mainland with a driver's license instead of a Taiwan passport.⁶⁵ The PRC and the KMT government cooperated on the ECS and SCS disputes, with the KMT defending the nine dash line. Under the KMT government, there were declines in defense spending, military capability, operational readiness, and procurement, as well as perceived decreases in the nationalism of the officer corps.⁶⁶ The Taiwan Air Force was criticized for its declining ability to prevent PLAAF aerial activity over the island, and the navy for being unable to defeat a blockade.⁶⁷

In January 2016, the DPP—led by presidential candidate Tsai Ing-wen—won the general election and came to power on 20 May 2016, promising to revitalize the economy and the military and to lessen Taiwan's dependence on the PRC.⁶⁸ President Tsai has not recognized the "One China" policy that was agreed upon in 1992 by CCP and KMT leaders. However, she has not proposed another independence referendum. Significantly, the DPP government has promised to phase out special quotas for China's provinces in the Taiwan civil service. In addition, the new government respects UNCLOS and is willing to be flexible over the SCS and the nine dash line.⁶⁹

In the military realm, the incoming government has promised to increase defense spending and the stealthiness of its forces, introduce advanced technology for its air defense systems, and develop plans for unmanned combat aerial vehicles (UCAVs) that can knock out PLAAF airfields. Taiwan's security forces have mastered the skill set involved in humanitarian assistance and disaster relief (HADR) and are looking to participate in multilateral HADR, coast guard, refueling exercises. With the emergence of an HADR security architecture involving the United States, Japan, India, Indonesia, Australia, Vietnam, and the Philippines and with trilateral exercises and interoperability, there is an expectation that Taiwan will be invited to HADR exercises.⁷⁰

In Taiwan, attention is focused on the 2017 CCP Congress. President Xi Jinping is expected to do something dramatic before then, possibly directed against Taiwan. In 2018 and 2019, the PRC will increase the pressure on Taiwan before the 2020 elections when the DPP government seeks reelection. In 2021, there will be the CCP centennial, and expectations for absorbing Taiwan will be high. From 2017-23, there is the possibility of an embargo by the PRC against Taiwan and other provocations. Therefore,

the DPP government and its majority in parliament will be treading carefully on the issue of independence, which caused spikes in tension in 1996 and especially from 2000-8 during the term of the previous DPP government.⁷¹

In Taiwan, many security experts perceive that the PRC is unstable and that there is a possibility that China will implode. There are doubts about President Xi Jinping and whether he will be able to consolidate power and maintain the loyalty of the seven PLA regional commands (and power centers) and whether he can succeed in restructuring the PLA to be more maritime-oriented. In Taiwan, there are questions regarding whether China has enough naval and air power to take over the island and prevail in the SCS and ECS. If the PRC does manage to absorb Taiwan, it will significantly shift the balance of power in East Asia in China's direction.⁷²

The Philippines, a US ally and weak state, has felt stress from China. A prime example was when Chinese officials and businessmen influenced the government of President Gloria Macapagal Arroyo (2001-10) to engage in joint energy exploration with China under terms that were disadvantageous to the Philippines. When the government of President Benigno Aquino III (2010-16) suffered the 2012 seizure of Scarborough Shoals and ended up taking a tougher line towards China, Beijing subjected Manila to threats of economic punishment, such as bans on agricultural imports. Nevertheless, the Philippines has persisted with its UNCLOS case before the PCA of the ICJ and negotiated the Enhanced Defense Cooperation Agreement (EDCA) with the United States.

The outgoing President Benigno Aquino III has challenged the United States to assist the Philippines in stopping China from constructing a military outpost on Scarborough Shoal, more than 75 miles within his country's EEZ. The new president, Rodrigo Duterte, has promised to be tough on China in the SCS but has little foreign policy experience and may find it difficult to stand up against Beijing. Furthermore, the weakness of the Philippines state will be a longstanding problem for leaders in Manila and for the Philippines military. In 2016, there are prospects for demarcation in the Spratly Islands after the ruling of the Permanent Court of Arbitration, which could aid the Philippines. However, President Duterte will have difficulty persuading China to compromise on the SCS.

Vietnam shares a border with China and is facing considerable stress over the SCS and related issues. There is a high probability that the Vietnamese Communist Party (VCP) leadership knew that President Xi Jinping ordered the CNOOC oil rig to be placed in the Paracel Islands in 2014. Subsequently, the leadership sponsored demonstrations that spun out of control into anti-Chinese riots.⁷³ While the VCP has moved away from CCP and towards the United States, the January 2016 the VCP congress decided to retain a leadership that is weakly leaning towards the United States but does not want to alienate China.

Vietnam has built the most outposts (twenty-one) in the Spratly Islands, but they are tiny compared to China's seven military bases. Because of the sunk costs, Vietnam will probably not join the Philippines in the UNCLOS case before the PCA of the ICJ. Vietnam would like to continue to make claims in the SCS, and it may build even more outposts.

Before China's provocations in 2014, Vietnam had already started military modernization, with the addition of new Russian-made Kilo Class submarines, which have torpedoes, anti-ship, and anti-land missiles and which they used to signal to China during the May 2014 oil rig deployment. However, Hanoi was provoked by President Xi Jinping's decision to escalate tensions in the Paracel Islands. As a result, Vietnam has stepped up force development. Since Vietnam has already progressed a long way in upgrading its maritime power, Hanoi is shifting its focus to the development of air power. Vietnam's air force wants to be able to challenge the PLAAF over the SCS. Already, Vietnam's aircraft can reach the Spratly Islands from bases on its mainland without air refueling. In contrast, many of China's military aircraft cannot reach the Spratly Islands without air refueling. This is one of the reasons why the PLA is building airstrips at Fiery Cross Reef and six other locations. Finally, Vietnam and the Philippines have been pushed together by Chinese pressure and have begun to mount joint operations in the SCS.⁷⁴

The SCS and ECS in 2040⁷⁵

1. Nobody's sea: stable cohabitation (bipolarity)
2. Somebody's sea: regional hegemony (the United States withdraws and allows China hegemony)
3. Everybody's sea: managed mistrust (UNCLOS)
4. Sea of conflict (unplanned or planned)

Scenario one aligns with the defensive realist perspective and seems to be the most likely outcome. China would continue to run military operations out of the Paracel and Spratly Islands and Scarborough Shoals and insist on the nine dash line, while the United States and its allies and partners would be incapable of rolling back its presence. The United States and its allies and partners would be able to exercise FoN and overflight rights, including for military vessels and aircraft, because China would be incapable of blocking them. Scenario two would mean that the United States would no longer have the will or capability to maintain a presence in the SCS and ECS. Scenario three would entail China (as well as Vietnam, the Philippines and Malaysia) accepting the UNCLOS ruling by the Permanent Court of Arbitration (PCA) on the SCS and abiding by the status quo in the ECS. This would mean China downplaying the nine dash line and not making territorial claims in the Spratly and Paracel Islands. Scenario four could occur if FoN and overflight rights are blocked by China in the SCS and/or the ECS, and the United States uses military force to unblock them. This is the least likely outcome.

US INTERESTS IN THE ASIA-PACIFIC AND THE "REBALANCE"

US interests in the Asia-Pacific region are centered on the free flow of commerce and increasingly open markets, which have led to dramatic economic growth and prosperity in the region and in the United States for decades. Closely associated with these interests are the norms of FoN and overflight rights, especially in the SCS and ECS. These norms include the ability of US military aircraft and ships to operate anywhere outside of the twelve mile zone of sovereignty that is enshrined in UNCLOS. China's claim over the Senkaku/Diaoyu Islands and the vast majority of the ECS and SCS as its territory presents a direct threat to that ability, FoN and overflight norms, and US interests. The ultimate US interest is to prevent China from establishing control over most of the SCS and ECS.⁷⁶

US interests in the ECS and SCS include growing investment and trade by US companies and the maintenance of the flow of oil and gas to allies in Japan, South Korea and the Philippines, as well as Taiwan. US interests also include the benefits from the trillions of dollars-worth of trade that flow in the Asia-Pacific region. China's rise and prospects for bipolarity in the ECS and SCS provide a clear challenge to US security and economic interests. One of the challenges for the United States is to overcome budgetary constraints and maintain a similar motivation level as China in the latter's backyard. The announcement of the rebalance and diplomatic, economic and military surge were intended to regenerate flagging US interest, presence and activities in the region that resulted partly from wars in Iraq and Afghanistan.⁷⁷

The other US interest is to strengthen alliances and partnerships so that they can withstand pressures from China. This includes allies—Japan, South Korea, Philippines, Australia, and Thailand—and partners—Vietnam, Malaysia, Indonesia, and India. A long-term US interest is developing a multilateral defense arrangement among Japan, Australia, and India as well as South Korea and other countries based on defending the principles of FoN and overflight. This will be a delicate undertaking, given the US interest in continuing strategic and economic engagement with China.⁷⁸

US diplomacy is principally aimed at reassuring the Philippines and Japan and partners, especially Vietnam, and building relations with ASEAN and its member states. The strategic and economic dialogue with China is central to US diplomatic strategy. The United States has made a concerted effort, especially since 2011, to develop multilateral cooperation through ASEAN and the TPP. President Barack Obama has been regularly attending East Asia summits, and Secretary of State John Kerry and other US diplomats have been spending more time and effort in the region, reassuring allies and partners of US support.⁷⁹ Of course, US policy may change with a new administration. In regard to the SCS, US diplomacy is aimed at supporting ASEAN and its member states, while avoiding escalation with China. The United States has been providing diplomatic support to ASEAN multilateral efforts, including the CoC, voicing support for the rule of law through UNCLOS, and calling for a moratorium on the construction of outposts in the SCS.⁸⁰ The recent US-ASEAN Summit has marked another significant

step forward. The US goal is largely the same as that of ASEAN and especially the SCS littoral states in the building of the strength of multilateralism in the region. The US diplomatic, economic and military pillars of the rebalance work to build and reinforce the status quo, FoN and overflight rights.⁸¹ The 2016 UNCLOS decision by the PCA of the ICJ is expected to invalidate the nine dash line and rule on the status of reefs and shoals.

Diplomatically, the United States has made an impact with its support of the ASEAN CoC, the Philippines' UNCLOS case, and a moratorium on new construction. If the PCA at the ICJ rules the nine-dash line invalid, the basis for US-led multilateral diplomacy will be strengthened, as a coalition will come together to pressure China to abide by international law, as Beijing has observed international norms in other instances.⁸² In the long run, much depends on the development of the capabilities of US allies and partners to assert their interests and push back against encroachment by China.

At the same time, the US rebalance to Asia includes engaging China and trying to modify its behavior in the SCS and ECS through persuasion embodied in the strategic and economic dialogue. US engagement has led China's leaders to believe that the country is part of a "G2" that can play a significant role in decision-making in Asia. US goals have been to influence China to accept a major role in managing the status quo in Asia instead of seeking to revise it and slow expansion in the SCS and ECS. Also, the United States has made a commitment to try to defuse escalation in any conflict. For example, in 2014, a naval code of conduct was approved by China, the United States, Japan and other Pacific Rim nations that could reduce the risk of accidental conflict and escalation.⁸³ In particular, the United States is trying to prevent escalation by Japan and China over the Senkaku/Diaoyu Islands that could lead to conflict.⁸⁴

The United States will continue to make efforts to reassure China that it is not being contained. However, the US diplomatic-economic-military rebalance and the strengthening of allies and partners and the ongoing dispersal of US forces has created a parallel impression that containment is the strategy. At the same time, US engagement with China has led a number of US allies and partners to question US commitment and credibility.⁸⁵ In spite of increased efforts, there are still critics of the shortcomings of US diplomacy, which has not surged as much as they would have liked.⁸⁶ For example, there are those who think that the United States could do more to counter China's influence over Cambodia and Laos and other mainland SEA states.⁸⁷

Japan is the most important US ally in the region, given its large economy and well-resourced and technologically advanced JSDF. Japan is also a dependable ally, thanks to the fact that the LDP has been in power for much of the last sixty years and it has proven to be dependably pro-US.⁸⁸ US engagement with China has led to concerns about the US alliance commitment, even though President Obama declared before a visit to Tokyo in April 2014 that the United States would defend Japan in any

militarized dispute with China over the islands, “[t]he policy of the United States is clear—the Senkaku Islands are administered by Japan and therefore fall within the scope of Article 5 of the US-Japan Treaty of Mutual Cooperation and Security. And we oppose any unilateral attempts to undermine Japan’s administration of these islands.”⁸⁹ Even after this announcement, US officials have found that Japan needs constant reassurance.⁹⁰ Also, the United States has not been consistent in its policy towards the Senkaku/Diaoyu Islands in what is a non-existential threat.⁹¹

Multilateral diplomatic cooperation has become a priority for the United States with the rebalance to Asia. For example, the United States has initiated an annual summit with ASEAN (now known as the “ASEAN Community”) and is seeking to further develop partnerships with ASEAN states. The United States has stepped up high level attendance at the ASEAN Regional Forum (ARF), East Asia Summit, and the Asia-Pacific Economic Cooperation (APEC). US-ASEAN Summits are planned for the foreseeable future. A majority of ASEAN states, backed by the US, has pushed for the ASEAN Code of Conduct (CoC) as well as FoN and overflight rights. In the future, the United States and Japan will continue to develop relations with ASEAN and its member states, which provide a basis for soft balancing in the SCS.

The United States is also seeking to develop multilateral cooperation among Japan, Australia, India and South Korea based on interests of FoN and overflight rights. A significant step forward occurred in December 2015, when Prime Minister Shinzo Abe and President Park Geun-hye reached agreement over the longstanding and volatile “comfort women” issue. At the March 2016 Global Nuclear Safety conference in Washington, DC, the relationship between the two leaders seemed to be stronger than it was in December. Tokyo-Seoul rapprochement may lead to an increase in South Korea’s interest in working with Japan and the United States in guaranteeing FoN in the ECS and SCS. In addition, the Australia-Japan-US partnership is developing and is holding out hope for greater multilateral cooperation in maintaining FoN and overflight rights in the region.⁹²

Multilateral economic cooperation and the Trans-Pacific Partnership (TPP) are intended to boost US influence and prevent allies and partners from being stressed by China. One initial sign of the US rebalance has been increased aid, trade and investment that have flowed to East Asian countries since 2010, which has been seen to stabilize or even modestly increase US influence. The US interest in increasing multilateralism, trade and investment, and the US rebalance strategy are embodied in the TPP. The TPP is a multi-faceted trade agreement, involving twelve countries spread out across the Pacific (from Chile and Mexico to Vietnam and Malaysia).⁹³ Principally, the TPP contains measures that ease trade in intellectual property, pharmaceutical drugs, and agricultural products, while strengthening protections for intellectual property rights. The TPP has been launched to build trade and investment relations within a multi-lateral framework and significantly boost the benefits from trade for the twelve

nations.⁹⁴ The TPP would enable US companies to trade and operate more freely and more effectively within Asia, which would increase US influence.⁹⁵ Eventually, the TPP could move on to technology issues and create new lines of production for SEA states and a new division of labor in the Asia-Pacific region.⁹⁶

US economic diplomacy led the way in persuading the twelve countries to negotiate the trade deal and in forging an agreement.⁹⁷ In June 2015, the Republican-dominated US Congress passed “fast track approval” for the Obama administration to negotiate the TPP, which resulted in agreement among the twelve states at the end of 2015. Japan has been another main driver of the TPP after years of resisting free trade agreements. The bilateral negotiations between the United States and Japan were instrumental in the success of the multilateral ones. They were a sign of Japan’s transition from opposing free trade to accepting free trade as a vehicle for expanded influence, especially given China’s rise.

If ratified in 2016, the TPP will come into effect in 2017.⁹⁸ According to trade experts, Vietnam stands to benefit most from free trade provisions, followed by Malaysia. Vietnam and Malaysia were given special dispensation, given the importance of including SEA countries in the TPP. However, major changes will be needed in both countries’ governance in order to abide by the TPP rules. Vietnam and Malaysia will be valuable partners in US efforts to slow China’s overly assertive expansion. Subsequently, Indonesia has expressed an interest in joining. The Philippines and Taiwan must make major economic changes in order to qualify for TPP membership.⁹⁹

China, as an APEC member, is eligible to join the TPP. The United States could create a positive sum game from which China could eventually benefit. China may be interested in joining but must undertake significant economic reforms to qualify. In sum, the successful negotiation of the TPP will make it easier for the United States to deal with China’s growing economic influence.

THE REBALANCE, US DEFENSE STRATEGY AND USAF STRATEGIC POSTURE¹⁰⁰

The first signs of the military rebalance came with the announcement of the “Air-Sea Battle” (ASB) operational concept in 2009, which became the basis for the Joint Operational Access Concept (JOAC) against A2AD operations by China, Iran and other countries.¹⁰¹ In 2015, ASB was superseded by the Joint Concept for Access and Maneuver in the Global Commons (JAM-GC), which emphasizes joint operations over those of the US Navy (USN) and USAF. US military leaders have come to recognize that operationalizing JAM-GC and countering A2AD are essential components of strengthening preparedness in the region. The 2015 US Department of Defense Asian Maritime Strategy identifies four lines of effort: (1) building US capacity; (2) building the capacity of allies and partners; (2) regional military diplomacy with China; and (4) develop of regional security architecture.¹⁰² As for the USN, it has

weighed in with its own cooperative sea power strategy in which the rebalance to Asia features prominently.¹⁰³

In the rebalance, the newest USN and USAF ships and planes are deploying to the US Pacific Command's (PACOM's) area of responsibility and some will be rotating in and out of forward operating locations in the Philippines and Australia. The USN is moving forces to the Asia-Pacific with the goal of having sixty percent there. In 2016, the first supercarrier, the USS Gerald Ford, is scheduled to deploy to the Pacific. The US Third Fleet out of San Diego is now acting in the Western Pacific independently of the Seventh Fleet, which provides greater flexibility.

Since 2012, there has been increased US military presence and engagement in the Asia-Pacific region. More munitions have been sent to the Pacific, and more joint exercises have been funded, in contrast to other theaters. There have been more exercises with allies and partners in Asia, which is helping to build confidence and a degree of interoperability. For example, PACOM and the Philippines Navy have been conducting "Philbex," an annual exercise of more than 5,000 sailors and marines near Scarborough Shoals and the Spratly Islands, in the vicinity of where China's coast guard, navy and armed militia on fishing boats have been active. The USN continues FoN ops cruises in the SCS and ECS, especially in the Spratly Islands and surveillance flights in proximity to China's military installations. USN and Air Force aircraft, including B-52s, have been flying over Chinese outposts in both the Spratly and Paracel Islands. At the same time, there has been increasing military-to-military engagement with China to build confidence and prevent escalation.

Some of the fundamental objectives of the rebalance are to signal US resolve as well as reassure and build up allies and partners to defend their national interests and dissuade China from further extending its control over the SCS and ECS as well as Taiwan. In order to accomplish these goals, the USAF, USN and other services are augmenting their forces in the Asia-Pacific region, as well as moving some to forward operating locations (FOLs) in the Philippines and Australia, with the prospect of further dispersal.¹⁰⁴ The issue is how much further US strategy needs to change and how much rebalancing is sufficient in order to meet increasing security challenges from China in the region, as well as its growing defense budget and missile, submarine, space and cyber capabilities.¹⁰⁵

In a world of unlimited defense resources, the United States would be able to realign and develop the forces to meet all of the challenges from China as well as those from North Korea and Russia in the region. However, the US defense budget is not increasing at a sufficient pace and the US military will not be able to rebalance enough in order to enable easy strategic choices. The rebalance to the Pacific is held back by too frequent personnel rotations and the cutting of forces. Rotations do not provide a realistic answer to the threats that are developing.¹⁰⁶ Also, US allies and partners have significant limitations that

will hinder them from doing more than defending their national interests. Finally, China is playing a “home game,” while the United States is away.

For the USAF, tactical air bases in South Korea and Japan and a strategic base in Guam have enabled the United States to deter North Korean aggression for more than sixty years (see Map 10). The issue is how much the USAF can rebalance and disperse and shift focus from North Korea to meet security challenges from China. The USAF in the Asia-Pacific region will have to rely on a mixture of platforms, including remotely piloted aircraft (RPAs), long-range bombers and missiles as well as a mix of capabilities, such as global precision attack, rapid global mobility, and space and cyberspace superiority in order to dissuade and deter China.¹⁰⁷ In addition, there will be command and control (C2) challenges that will hamper concerted USAF action and discourage excessive dispersal.

In regard to relatively short term security challenges, the first issue is how to assist in the defense of Taiwan. The US military is faced with the task of continuing to demonstrate that it can assist in warding off missile attacks from China.¹⁰⁸ The USN and USAF will have to continue to demonstrate the capability of helping to defeat a PLAN blockade, as well as preventing the PLAAF from achieving air superiority over Taiwan.

The United States and its allies and partners face the dilemma of how to act militarily in the SCS and ECS.¹⁰⁹ China has been skillful in leading with “white hulls,” consisting of its coast guard and other paramilitary forces; applying just as much force as necessary; and constructing massive militarized outposts without provoking a significant military response.¹¹⁰ Countering China’s moves requires regional coast guards and well-equipped and trained navies, air forces and marines. Such forces in East Asia are developing from low levels and will take more than a decade to mature as US allies and partners.¹¹¹

In the next decade, the US military will be the only force that will be able to lead in military activity and continue to ensure free seas and overflight rights. This includes backing Japan in the dispute over the Senkakau/Diaoyu Islands. In the coming years, US forces will be operating in close proximity to PLA forces and will have to learn how not to escalate incidents into conflict. In addition, US forces need to shape the theater for the next decade; for example, they will have to exercise with the forces of allies and partners in how to deal with ship-to-ship and air-to-air incidents and how to impose a blockade on outposts in the SCS and counter PLA forces elsewhere.

A major issue is how to counteract China’s great leap forward in outposts in the SCS, incremental expansion in the ECS, and gradual absorption of Taiwan. If diplomacy and soft balancing do not work, the United States could continue FoN operations and overflights in the hope that China will not move further towards asserting its claims. US forces could help to put the 2016 UNCLOS ruling into effect with FoN and overflight operations. However, there are doubts that FoN operations and B-52 flyovers will stop China from slowly gaining the advantage.¹¹²

In the ECS, it is up to Japan to deal with incremental expansion by China. US forces are faced with the task of reacting to aggressive PLA moves against the Japanese Coast Guard and the JSDF which could subsequently escalate a confrontation towards war. Again, this will require the USN and USAF to be in the vicinity to deter escalatory behavior by PLAN ships and PLAAF aircraft operating in the area. US presence may still not be enough to deter China and PLA forces.

The US military may not be able to compel China to vacate its military outposts in the Spratly Islands, much less the Paracel Islands. It may not be able to assist the Philippines in stopping construction of a military base in the Scarborough Shoal, unless the USN undertakes aggressive action that risks escalation. However, the USN and USAF can augment their forces in the vicinity of the SCS to undertake persistent operations that will deter the PLA from threatening FoN and overflight rights, especially for US naval vessels and military aircraft. Even if the US military is not reinforced, the PLA will have a difficult time interrupting the flow of maritime and air traffic. However, the PLAN will be able to bully the navies and air forces of the Philippines and Vietnam, which raises issues for the US Navy.

The probability of escalation to war is low until at least until the 2020s. One indicator is the fact that China's military personnel on artificial islands in the SCS have only warned US warships and warplanes about entering its "territory," but they have done little to confront American forces.

There is a small but distinct possibility that China will use its seven military outposts in the Spratly Islands as a launching pad to take over some of the outposts of the Philippines, Vietnam and Malaysia, which would cause military clashes. While the United States does not recognize the claims of the three countries in the Spratly Islands, it cannot stand idly by while their military forces are attacked. In response, the United States could move from discouraging outposts in the SCS towards military operations in support of the outposts and claims of the Philippines, Vietnam and Malaysia, as well as in support of Japanese claims in the Senkaku/Diaoyu Islands.¹¹³ In addition, the USN could blockade some of the seven PLA outposts in the Spratly Islands or even occupy one.¹¹⁴ However, the US interests demand that the military response should be sufficient to cause China to stop its aggressive operations but not so strong that it provokes escalation towards war.

A final issue involves how to build multilateral defense cooperation and regional security architecture based on respect for FoN and overflight rights and UNCLOS without alienating China. An Asian NATO would be too provocative to China and difficult to achieve, given the varying interests of regional states. The Organization for Security and Cooperation in Europe (OSCE) model where China is invited to join would avoid alienating Beijing. Within such an organization, agreements could be reached on FoN and overflight rights and a code of conduct.¹¹⁵

The status quo option: US forces are presently concentrated in bases in Japan, South Korea, and Guam (see Map 10), and the status quo would continue this concentration with minimal, rotational

dispersal to the Philippines and Australia. The USAF strategic posture is closely linked to the US defense strategy in the Asia-Pacific, which for decades has focused on North Korea.¹¹⁶ Also, the United States depends on bases in the Western Pacific, such as Guam and Okinawa, to project power into the SCS and ECS and help protect Taiwan. The 2013 RAND basing study noted the advantages of US bases in Korea and Japan; they have resulted in the demonstration of a “costly commitment” that assures US allies.¹¹⁷ Forward basing maintains capabilities to prevent a “quick victory” by China in Taiwan, the ECS and SCS. Also, it has improved the capabilities of allies and partners through security cooperation and US understanding of regional dynamics. The disadvantages of the status quo are a lack of persistent presence in the SCS and vulnerability to missile attacks from China (and North Korea). However, there is evidence that the missile threat from China is insufficient to permanently destroy bases in Japan and Guam.¹¹⁸

The status quo has not prevented US forces at several US bases in Japan from altering their attention from North Korea and towards a rising China with the Senkaku/Diaoyu Island incidents. For example, the stationing of Global Hawk RPAs at Misawa Air Base has enhanced US surveillance of China’s activities in the ECS as well as North Korea.¹¹⁹

The dispersal option: would involve deploying US forces, including the USAF, as widely as possible, given logistics and C2 limitations. The advantages of this option include greater persistent presence of the USAF and other US forces in the SCS and SEA. Also, this option would increase the ability of US forces in the Asia-Pacific region to mitigate the emerging threat from China’s long-range precision-guided weapons that could zero in on concentrations of US forces, including those of the USAF. Dispersal provides broader deterrence and assurance for a greater number of allies and partners. Another reason is to better facilitate HADR by having FOLs where equipment can be pre-positioned and through which forces can flow. In addition, the USAF needs other bases for RPAs and FOLs.¹²⁰ The disadvantages of excessive dispersal are political, budgetary, and logistical challenges, as well as C2 and cyber problems.¹²¹

The first significant dispersal of US forces after the rebalance occurred in 2012 with the rotational presence of US Marines at a base in Darwin, Australia. This was followed by the annual rotation of aircraft and 2,500 forces through Australia.¹²² In Singapore, the USN already has been taking advantage of berthing rights for Littoral Combat Ships, while the USN and USAF have access to two air bases. In the Philippines with the implementation of the EDCA, there will be joint base construction of a number of FOLs, and there are now plans for five joint bases, including Palawan, Cebu and Luzon (the Basa Air Base—near the former Clark US Air Force Base), through which US forces could rotate as part of a dispersal of forces. There is the prospect that the Philippines could offer a number of locations from which the United States could conduct aerial refueling.¹²³ The USAF is exploring the possibility of

rotating bombers and tankers building up infrastructure at Royal Australian Air Force (RAAF) Base Tindal (the only combat-capable base in Northern Australia).¹²⁴

In preparing for the possibility of conflict, US forces and especially the USAF are looking to disperse some forces away from Okinawa, where they are vulnerable to Chinese missile attack, to Guam, Saipan and Tinian. In SEA, there are several other possibilities for force dispersal, which will also provide the US military with a presence in the SCS. In 2014, Malaysia invited US Navy P-8s and P-3s to fly out of Labuan AB in Sabah Province; if an agreement is reached, this could eventually set the stage for shared intelligence.¹²⁵ It is even possible for US forces to eventually rotate into and out of the naval base at Cam Ranh Bay and air base at Danang in Vietnam.

The dispersal option will achieve benefits that the status quo cannot. Forward operating locations in the Philippines, Australia and other SEA locations would provide similar security cooperation benefits as the bases in Northeast Asia. It would enable joint training and exercises, including on a multilateral basis. The USAF would be able to have persistent presence in the SCS. For example, RPAs in the SCS could provide the presence that could enhance the US challenge to China's claims and outposts in the SCS.¹²⁶ Dispersal is leading to increased US military activities and presence and ways to reassure US allies.¹²⁷ Dispersal can help protect Japan and South Korea's sea lanes from the Middle East through the SCS. In regards to the issue of how much dispersal is appropriate, it seems that China's focus is now on the SCS, which requires broader dispersal than if Beijing was focused on the ECS.

The drawdown option: Another possible course of action is to draw down US forces, save resources and provide incentives for allies and partners to develop their own forces. In such an option, the prospect of "global precision attack" (GPA) can be significant in helping to deter China and thwart its A2/AD strategy.

The disadvantages of a drawdown of forces are the need to reassure allies in the face of a rising China and the limitations of GPA and other strategic capabilities. GPA can only provide a portion of the force needed by US in Asia-Pacific for deterrence and warfighting. If US forces, including the USAF, withdraw and if a conflict erupts, they would have to force their way back into the region, which raises the probability of escalation. In addition, forward basing enables multilateral HADR capabilities and provides greater access to countries in the theater. Forward basing also facilitates theater security cooperation, integrated air and missile defense (IAMD), regional power projection and flexible C2. Forward basing enables expanding engagement and combat capabilities and improving war fighting integration.

US Defense Strategy and USAF Posture and Preparing for Conflict, 2020-2040

Between 2020 and 2040, it must be assumed that China will continue to develop economically and militarily and will present a greater challenge for the United States and its allies and partners than it

does today. China is growing faster than the United States and will most likely continue to do so. In addition, the cyber threat to US forces and those of its allies and partners will only grow as China's cyber force becomes even more adept, and the threat of space conflict will also grow as China develops its anti-satellite weapons and space forces.¹²⁸ These threats and others endanger the US presence in the Western Pacific. If a dispute escalates into conflict, communications could be cut between PACOM and Pacific Air Forces Headquarters (PACAF HQ) in Hawaii and US commands in South Korea and Japan and US bases in the Western Pacific.¹²⁹

In the long run, the United States could find it difficult to gain access to the SCS, ECS and Taiwan and find it nearly impossible to operate between the first island chain and China's mainland. The island can be blockaded today, and the situation will only grow more precarious and difficult for US forces to help protect. Taiwan's waters will be a contested zone in which US forces will have to engage Chinese forces if the island is to be defended.

China could eventually threaten US forces in Okinawa and elsewhere, which would pose challenges in projecting US power in the SCS and ECS. Also, the PLAN is catching up to the US Navy in the Western Pacific, especially in regards to submarine warfare.¹³⁰ At present, China does not have the electronic C2 and surveillance to enable it to effectively attack US bases in Japan. However, it may develop such capabilities in the future.

In the not-too-distant future, the United States will not be able to rely on its own military power in order to maintain the status quo in Asia. It must rely increasingly on regional allies and partners to balance against China. However, US allies and partners are presently in the process of developing the requisite capabilities. As a result, the United States and its allies and partners will find it difficult to undertake soft balancing towards China and deal with tensions and conflict. The issue is how to build up the military forces of US allies and partners and multilateral defense cooperation without provoking a conflict with China.

The US rebalance is still at an early stage, and there is still a great deal of uncertainty about what it will be able to achieve. The US military will probably be able to prevent China from threatening FoN and overflight rights for at least the next decade. However, the United States does not have the will, paramilitary forces or the strategy and tactics to stop China from constructing militarized outposts in the SCS and from bullying the military forces of the Philippines, Vietnam and other countries. A number of US officials doubt if there is even a workable long-term strategy for the SCS, ECS and Taiwan;¹³¹ for example, one commented that FoN operations and B-52 flyovers do not constitute a strategy. In addition, there are domestic pressures in the United States which will make it difficult to maintain the military rebalance.¹³² However, if the United States stays engaged militarily in Asia, it stands the chance of shoring up its alliances and partnerships and maintaining the ability to project power and affect China's

behavior.¹³³ While there will be risks involved for US forces, the development of an appropriate strategy and the right mix of forces could lead to continued access to Taiwan and the SCS and ECS.

China possesses detailed knowledge of the US Time-Phased Force Deployment Data (TPFDD) and can cut the flow of forces from the United States in the case of conflict.¹³⁴ The US military, especially the USAF, face the prospect of developing contingency plans to prevent disruptions. One possibility is for the US military to flow forces to bases in the Western Pacific if China escalates towards war. If US Forces Japan (USFJ) and US Forces Korea (USFK) are cut off from PACOM, they must have the ability to operate on their own. This may be possible for USFK in cooperation with the ROK military. However, PACOM, USFJ and the JSDF will experience difficulties, given C2 challenges.¹³⁵ Also, there will be duplicate demands on resources if China tries to take the Senkaku/Diaoyu Islands and initiates hostilities in the SCS and SEA and if North Korea attacks South Korea and Japan.

There are direct and indirect approaches to countering China's growing military capabilities in case regional tensions escalate towards war. Four warfighting options have been enumerated by US officials by security experts,¹³⁶ they are: (1) onshore attack (employing the JAM-GC operational concept); (2) maritime denial; (3) distant blockade; and (4) maritime denial first, onshore attack if necessary.

Direct approach advocates tend to favor onshore attack employing the JAM-GC concept.¹³⁷ If Sino-American conflict were to occur, the United States would have to defeat China's A2/AD capabilities "using a variety of offensive and defensive means, including conventional strikes against targets on the Chinese mainland."¹³⁸ The operational concept would include air and missile strikes well inside the Chinese mainland to attack air bases and surface-to-air missile (SAM) sites. If there were an attack on US bases in the Western Pacific, the United States would retaliate by attacking air bases and SAMs on Chinese mainland. The USAF would play a major role with air, space and cyber power.

The JAM-GC concept of onshore attack is risky if it involves sorties deep inside China's territory. Excessive penetration of China's airspace has been found by security experts to provoke a high probability of nuclear war.¹³⁹ The United States will not be willing to risk nuclear war by striking targets deep inside China. However, the problem with the other three options is that PLA anti-ship missiles and SAMs will not be neutralized, which would expose the USN and USAF to considerable risk.

In contrast to the direct approach, supporters of the indirect approach reject attacks on the Chinese mainland as posing too great a risk for escalation. Arguing for either a distant blockade or maritime denial, they emphasize the role of US and allied naval power, backed by air forces, to alter China's behavior.¹⁴⁰

The maritime denial option could serve as a greater deterrent to China than a distant blockade because its impact on the Chinese economy (and regime credibility) would be more immediate. This

would involve offshore conflict with proximate presence to China's coast. However, a maritime denial approach could make China more desperate and thereby increase the risk of escalation.¹⁴¹

The distant blockade option in the Indian Ocean could choke off China's energy supplies. By fighting a conflict at sea and avoiding the Chinese mainland, the risk of escalation is reduced. The USAF, including units from Diego Garcia, could support the USN in helping to enforce the blockade.¹⁴² The disadvantages are that China could launch space and cyberattacks in retaliation. Also, a distant blockade strategy will hurt US allies (Japan, South Korea and Taiwan) just as much as China, as the PLAN could cut off their energy flows through the SCS. Finally, China's New Silk Road strategy is seeking to preempt such a move by building pipelines through Central Asia.

The fourth option is for US forces to start with maritime denial and then work their way in towards China's coast, with an onshore attack (JAM-GC) as the final step if necessary. If there is conflict, US forces can start by engaging PLA forces in the maritime domain, which avoids penetrating China's airspace. However, if China does not back down, US forces could pursue the option of attacking into Chinese territory, using the JAM-GC concept.¹⁴³

The indirect options are problematic in that US forces would be exposed to missile attacks that could thwart operations and threaten bases in Japan, South Korea and Guam. In addition, the United States would have to adjust its operational concept (JAM-GC) to operate primarily in the maritime domain. As for the USAF, it would have to adjust its strategic posture and plan for and exercise a "maritime only" approach through joint exercises with the USN.

US Defense Strategy, USAF Strategic Posture and Building Allies/Partners' Capabilities

US defense strategy and USAF strategic posture in the Asia-Pacific are intended to maintain and develop a forward presence, while strengthening military alliances and partnerships, and encouraging multilateral cooperation. A basis for US defense strategy will be the continuation and increase of Phase 0 operations to reassure allies and partners and demonstrate resolve to China. Joint exercises and other building partnership activities will help shape the theater to US advantage and help offset China's growing influence. In addition, the United States and Japan are assisting allies and partners with the development of coast guards, marines and other forces that will enable them to contend with China's incremental expansion, fronted by "white hull" forces. The issue for US allies and partners is developing the strategy and tactics to resist China taking leaps forward with its security forces in the ECS and SCS as has happened in the last six years or more.

The United States is working to develop multilateral defense cooperation and regional security architecture based upon shared interests of FoN and overflight rights. The emerging maritime relationship among the United States, Australia and Japan could provide a foundation for structured multilateral defense cooperation for the rest of the region.¹⁴⁴ In the meantime, the US military continues to conduct

joint exercises with the Philippines, Malaysia, Vietnam and other SEA militaries with the aim of developing the capabilities of their forces. The US-led Southeast Asian Maritime Security Initiative (SEAMSI) will build capacity and provide maritime domain awareness for allies and partners.¹⁴⁵ For more than a decade, the US Pacific Fleet's Pacific Partnership has involved US forces working with those of Japan, Australia, New Zealand and other countries in helping to build the capabilities of allies, such as the Philippines, and partners, such as Indonesia, through joint exercises in the HADR realm.¹⁴⁶

The principal issue involves how to build up the security forces of US allies and partners given their shortfalls in capacity and capabilities and limits on the US budget. First, US resource constraints require closer US defense relations with Australia and Japan.¹⁴⁷ Second, building coast guards is less expensive and less susceptible to corruption and can achieve the purpose of showing the flag in disputed waters without escalating incidents into conflict. Third, US rotational presence will provide relatively inexpensive reassurance and the technical and logistical assistance to build capacity and develop capabilities. In particular, the strategic option of dispersal will assist allies and partners; for example, the EDCA with the Philippines demonstrates how dispersal can serve the security interests of both countries. Logistics and base-sharing between the United States and India is another example that could be replicated in the region with other partners. In sum, a dispersal strategy will help Asian states to develop capabilities and help them to defend the status quo in the ECS and SCS.

Japan, US Defense Strategy and USAF Posture: The ability of US and Japanese forces to operate together will be crucial in dealing with China in the ECS as well as with North Korea. However, the Japanese constitution has limited the JSDF to purely defensive operations, hampered US-Japan joint operations, and helped to institutionalize a parallel US-Japan command structure that renders cooperation and joint command-and-control (C2) difficult.¹⁴⁸ In contrast, Combined Forces Command in Korea is thoroughly binational, and US and South Korean forces regularly conduct major joint warfighting exercises. Also, there is limited "jointness" within the JSDF command structure, just an air defense command. The JMSDF and Japan Air Self-Defense Force (JASDF), with only 40,000 forces, are relegated to junior partnership under the Army, with more than 250,000.¹⁴⁹ The JSDF needs new structures to deal with space and cyberspace. However, there are more joint exercises today than in the past, and moves towards a joint command structure have recently been made possible.¹⁵⁰

US and Japanese joint operations in the wake of the 2011 tsunami and Fukushima nuclear disaster (Operation Tomodachi) demonstrated that US and Japanese forces could work well together.¹⁵¹ The joint HADR operation worked to the extent that it did thanks to more than a decade of joint training, information sharing and coordination between US and Japanese forces.¹⁵² However, the operation revealed a number of C2 issues among US forces and between the United States and Japan that will be significant in dealing with China. If there is a conflict, PACOM (not USFJ) will take command of US

forces in Okinawa and the rest of Japan, and China can easily cut communications and C2 between Hawaii and Japan.¹⁵³ Also, during Operation Tomodachi, US generals reportedly deployed from PACOM in Hawaii to Yokota Air Base in Japan without sufficient C2 guidance, causing confusion in the operation.¹⁵⁴ Critics of Tomodachi assert that \$100 million was spent for relatively little HADR and that the operation was “top heavy” and reflected atrophy of political-military coordination between the Department of Defense and the US Agency for International Development Office of Foreign Disaster Assistance.¹⁵⁵ In sum, full-scale joint operations between the US military and the JSDF are still several years from fruition.¹⁵⁶

In meeting Japan’s security challenges, the current USAF strategic posture and cooperation with the JSDF are fundamental, but C2 and China’s missiles, and related issues require attention from both countries. The JSDF expectation is that US forces will provide the “legs” (mobility, aerial refueling, etc.) that will enable the Japanese forces to operate in the Senkaku/Diaoyu Islands in case of conflict.¹⁵⁷ The Japanese are acquiring MV-22 Ospreys, amphibious assault craft and intelligence, surveillance and reconnaissance (ISR) packages that will better enable them to do so. Japan’s Western Air Defense District is instrumental to countering China in the ECS.¹⁵⁸ Japan wants more ISR, as it discovered in its counter-piracy operations based in Djibouti and in dealing with the capture of Japanese citizens in the Middle East. In regard to ISR in the ECS and Senkaku/Diaoyu Islands, Japan must accelerate its acquisition of the Global Hawk RPA. Budget pressures are threatening to delay RQ-4 fielding. Additionally, Japan should consider additional ISR platforms including the MQ-9 which could be operated by civilian contractors possibly under the direction of the Japan Coast Guard to manage sensitivities with military operations in/around the ECS.¹⁵⁹ Japanese ISR camera technology is among the best in the world. However, the JSDF is experiencing difficulties in operating three Global Hawks, and US officials estimate that it could use forty.¹⁶⁰ Japanese officials talk about developing the capability to launch an amphibious assault in case the contingency arises of China capturing the Senkaku/Diaoyu Islands.¹⁶¹ Given Japan’s 1,000 island chain and interests in FoN in the SCS and ECS, the purchase of air refueling tankers and airborne warning and control system aircraft (AWACS) are priorities.¹⁶²

The United States would like the JSDF to move into the SCS in cooperation with US allies and partners.¹⁶³ This would include JSDF ISR and P1s and P3s in the SCS. Japan has concluded a visiting forces agreement with Philippines, which is a step towards joint operations. Recently, the USN, and the coast guards of the Philippines and Japan cooperated in operations against Chinese nationals who were involved in coral fusing in the ECS and Western Pacific.¹⁶⁴

Taiwan, US Defense Strategy and USAF Posture: Part of the US Defense Strategy in East Asia is to prevent China from taking Taiwan by force. Many security experts see China gradually absorbing Taiwan. The island can be blockaded by China and energy links can be cut, and the country is in need of

persistent US reassurance. In Taiwan, there is skepticism about the US rebalance and its sustainability.¹⁶⁵ In response, the United States has increased security cooperation since 2009 in regards to US military personnel visits and weapons sales.¹⁶⁶ In 2016, the Obama administration announced the sale of fighter aircraft to Taiwan.

With the DPP coming to power, it is expected that the gradual absorption of Taiwan into China will slow if not stop. The new government is trying to grow closer to the United States and Japan, and greater security cooperation with the United States is a basic component of DPP policy. Beijing is upset that President Tsai has not recognized that “Taiwan is a part of China” and intends to move closer to the United States. The question is how serious the situation will become in the next four years or so and the US response.

Ultimately, China could blockade Taiwan. However, such a move would risk a major escalation of hostilities and would bring in the United States. The issue is whether or not the USAF and USN strategic posture in Okinawa, Guam and elsewhere are sufficient to prevent China from strangling or even taking over Taiwan.

Vietnam, US Defense Strategy and USAF Posture: Continuing Chinese encroachment has led Vietnam to develop closer military-to-military relations with the United States. Vietnam is providing plane and ship servicing. Vietnam’s maritime power is growing with the development of submarines and surface ships. Presently, the Vietnamese military is shifting to air power. President Obama’s May 2016 visit to Vietnam led to the lifting of the arms embargo and opened the door to a stronger partnership. The possibility of US forces using Cam Ranh Bay as a forward operating location has been greatly enhanced. There may even be prospects for intelligence sharing between the US and Vietnamese militaries. Vietnam can provide plane and ship servicing for US forces. US presence and visits have increased. Vietnam may eventually provide access to US forces in Cam Ranh Bay and elsewhere.¹⁶⁷

The Philippines, US Defense Strategy and USAF Posture: The principal challenge in security cooperation with the Philippines is how to build the capacity and develop the capabilities of a weak state with a ground-centric military. The SEAMSI for ISR and related capabilities and the EDCA for joint base construction provide the foundation for building capacity, and joint exercises and training will help to develop capabilities. Joint Philippines-US exercises are now being run out of the former US Navy base at Subic Bay and the former USAF Clark Air Base in Luzon. The other challenge is working out how US forces should operate with the Armed Forces of the Philippines (AFP), especially the Philippine Navy, Air Force and Coast Guard, in the SCS and against China’s forces in case of another confrontation like the 2012 Scarborough Shoal incident.

The EDCA provides the FOLs for a greater flow of US forces through the Philippines. Five bases have been announced, and they will have a HADR focus but will also be multipurpose. Palawan Island is

one of the locations at the Philippines Air Base Antonio Bautista in Puerto Princesa on the SCS (see Map 11). Another is the Basa Air Base near Clark Air Base. There will be joint base construction in Benito Ebuena Air Base at Mactan, Cebu in the central Philippines, which eventually could provide the USAF and USN with an alternative to bases on Okinawa and Guam. Air presence operations with RPAs could complement USN Pacific Presence operations by maintaining persistent presence over the Spratly Islands, Paracel Islands and Scarborough Shoal. RPA patrols could be flown from Palawan, Clark, Mactan and other bases.¹⁶⁸

Australia, US Defense Strategy and USAF Posture: A SOFA provides the US access to northern Australian bases, which could be another source for dispersal. The bases are more than four thousand kilometers (2,400 miles) away from Hainan Island and therefore less threatening to China than bases in the Philippines. Royal Australian Air Force (RAAF) Base Tindal could provide the USAF with a significant presence, with which it could operate over the SCS. Australian bases could host US RPA which would provide a constant presence over disputed waters and territory in the SCS. In addition, the United States could use the bases for joint exercises with allies and partners. The bases could also facilitate the development of trilateral defense cooperation among the United States, Australia and Japan.¹⁶⁹

III. CONCLUSION: US DEFENSE STRATEGY AND USAF STRATEGIC POSTURE

The report has demonstrated that China has been driven until recently by interests rather than by nationalism. However, since 2013, Beijing has exhibited a drive for power maximization and revision to the status quo in the SCS, which is a cause for concern. China is moving to substantiate its claims over the Senkaku/Diaoyu Islands and especially over the area within the nine dash line in the SCS. With its seven militarized outposts in the SCS, it is possible that China will move to take over the outposts of the Philippines, Vietnam and Malaysia and attempt to restrict US military FoN and overflight rights.

A combination of multilateral diplomacy and balancing by a coalition is more likely to induce cooperation by China than either pure containment or engagement. Balancing by a distant strong state (the United States) and relatively weak states (US Asian allies and partners) against a strong regional state (China) is more likely to be effective when mainly diplomatic and economic instruments are backed by military power (*soft balancing*). A Clinton administration is likely to maintain the rebalance to Asia, eventually bring the TPP into effect, and continue soft balancing towards China. In contrast, a Trump administration would probably begin a US withdrawal. A whole of government effort is needed, with diplomacy, economics and defense integrated. However, even if the rebalance is sustained, China's power and ambition will only increase in the next two decades. Therefore, it is essential for US allies and partners to develop their capacity and capabilities and for multilateral cooperation to grow. The OSCE

model in Europe, if adopted in Asia, is one that can enshrine principles of FoN and overflight rights, while including China.

Optimum US defense strategy and USAF strategic posture: In the short term, persistence in both presence and capabilities will enable the United States to assure allies and partners and to signal US resolve to China. US maneuvers and joint exercises can assure allies and partners in the ECS and SCS with the defense of their sovereignty and EEZs. The option of withdrawing US forces will not be effective due to the need to reassure allies and partners as well as to engage with them in building their security forces. The status quo option does not enable the United States to deal with the SCS and leaves forces in Japan vulnerable in case conflict escalates in the ECS. The option of dispersing US forces and particularly USAF forces will enable the United States to manage China's expansion in the SCS and develop allies and partners in the region. The US EDCA and joint base construction with the Philippines and FOLs in Australia are significant steps forward in dispersal. However, budgetary and political constraints and C2 issues mean that dispersal can only be done strategically and within limits. US-Japan-Australia trilateral exercises in defense of FoN and overflight rights form the basis for the development of Multilateral defense cooperation and interoperability. Phase 0 operations and exercises, shaping and preparing the Asia-Pacific theater for deterrence and dissuasion are essential in managing China's rise and expansion.

For the long term, the United States and its allies and partners must prepare for the possibility of conflict with China and for anti-access and area denial operations. The optimal approach is to adopt and plan for a three-stage escalatory ladder, starting with maritime denial operations, followed by operations closer to China's coast, and if necessary, onshore operations using the JAM-GC operational concept. Therefore, US forces and those of its allies and partners would have to develop flexibility and find ways to train and exercise for the three different stages. For the USAF, this would mean developing a forward-leaning strategic posture in the Asia-Pacific region and close coordination with the USN and the air forces of allies and partners.

A long-term challenge will be to work with allies and partners to build their capacity, enhance their capabilities and develop multilateral defense cooperation and interoperability. Japan has the capacity and can develop the capabilities but must overcome constitutional and political obstacles. Taiwan is restricted by its special status to dependent bilateral defense relations with the United States. The Philippines lacks the capacity and capabilities and will remain dependent on US forces for some time to come. Malaysia is similarly weak. Vietnam has greater capacity and capabilities and a willingness to work with the United States but must be careful not to antagonize China. Indonesia has the potential and is developing the ambition to be a significant US partner.¹⁷⁰ India could join the United States, Japan and Australia in developing interoperability and multilateral defense cooperation.

APPENDIX A: MAPS

First and Second Island Chains

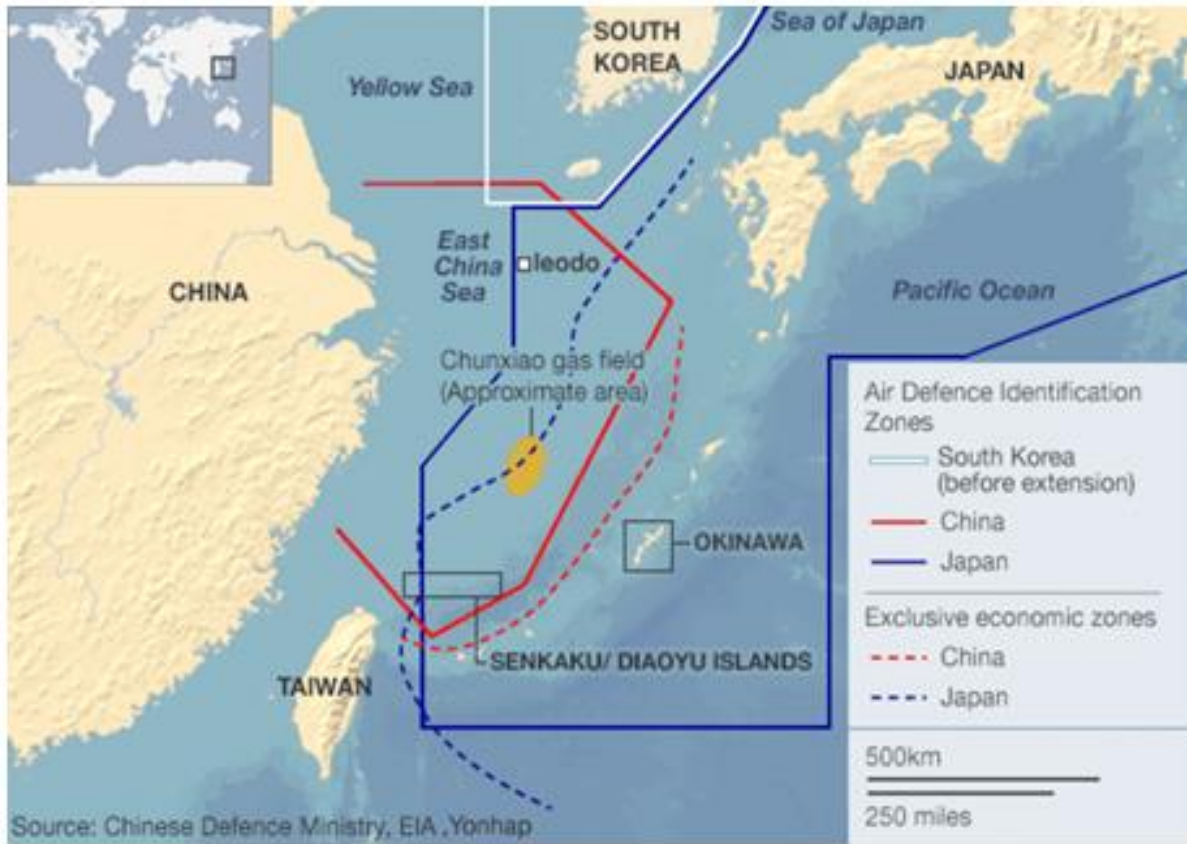
Map 1



[People's Liberation Navy - Doctrine Development, www.globalsecurity.org](http://www.globalsecurity.org)

Air Defense Identification Zones and Exclusive Economic Zones in the East China Sea

Map 2



ADIZ | Consortium of Defense Analysts cofda.wordpress.com; Chinese Defence Ministry, EIA, Yonhap.

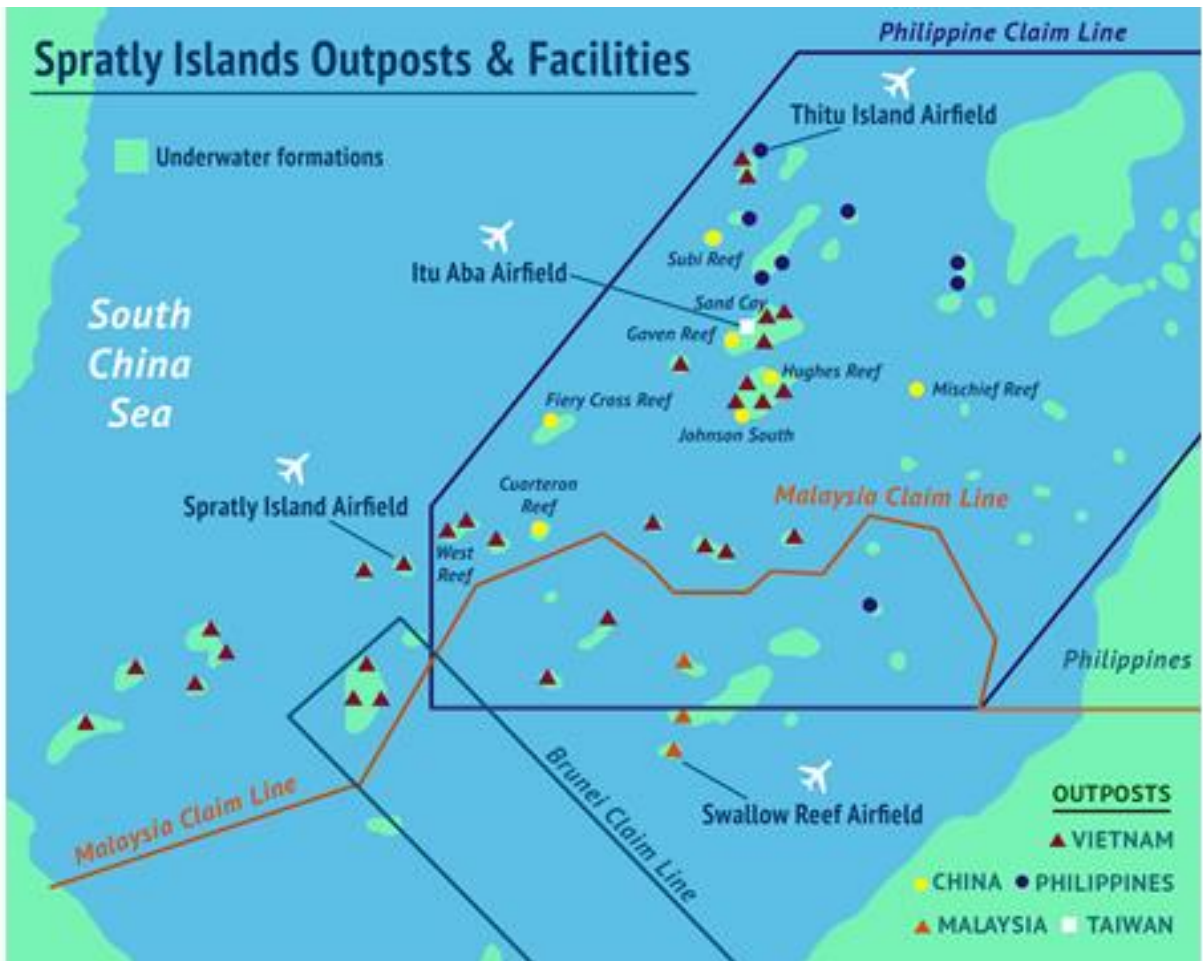
Conflicting Territorial Claims in the South China Sea

Map 3



“Why is the South China Sea Contentious?” *BBC News*, 12 July 2016, <http://www.bbc.com/news/world-asia-pacific-13748349>

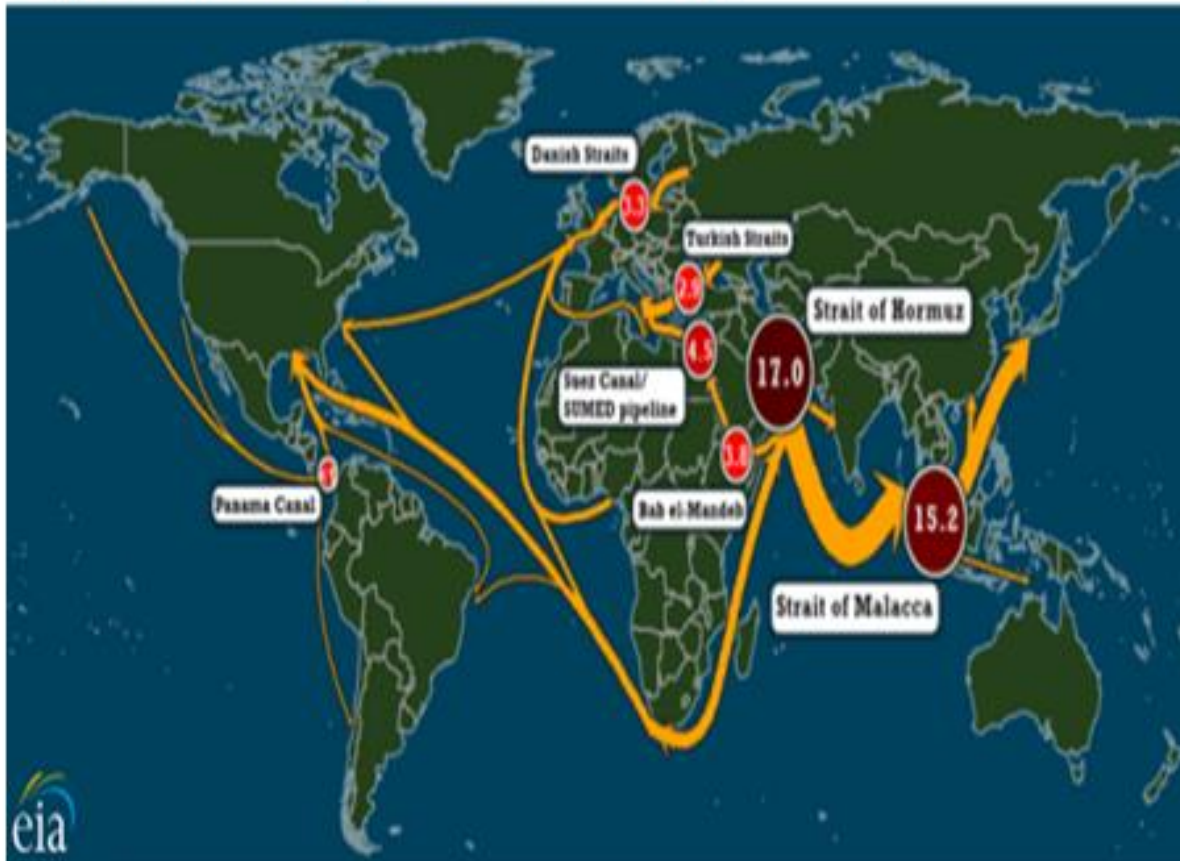
Map 4



Center for Strategic and International Studies, Asia Maritime Transparency Initiative (AMTI) Island Tracker, anti.csis.org

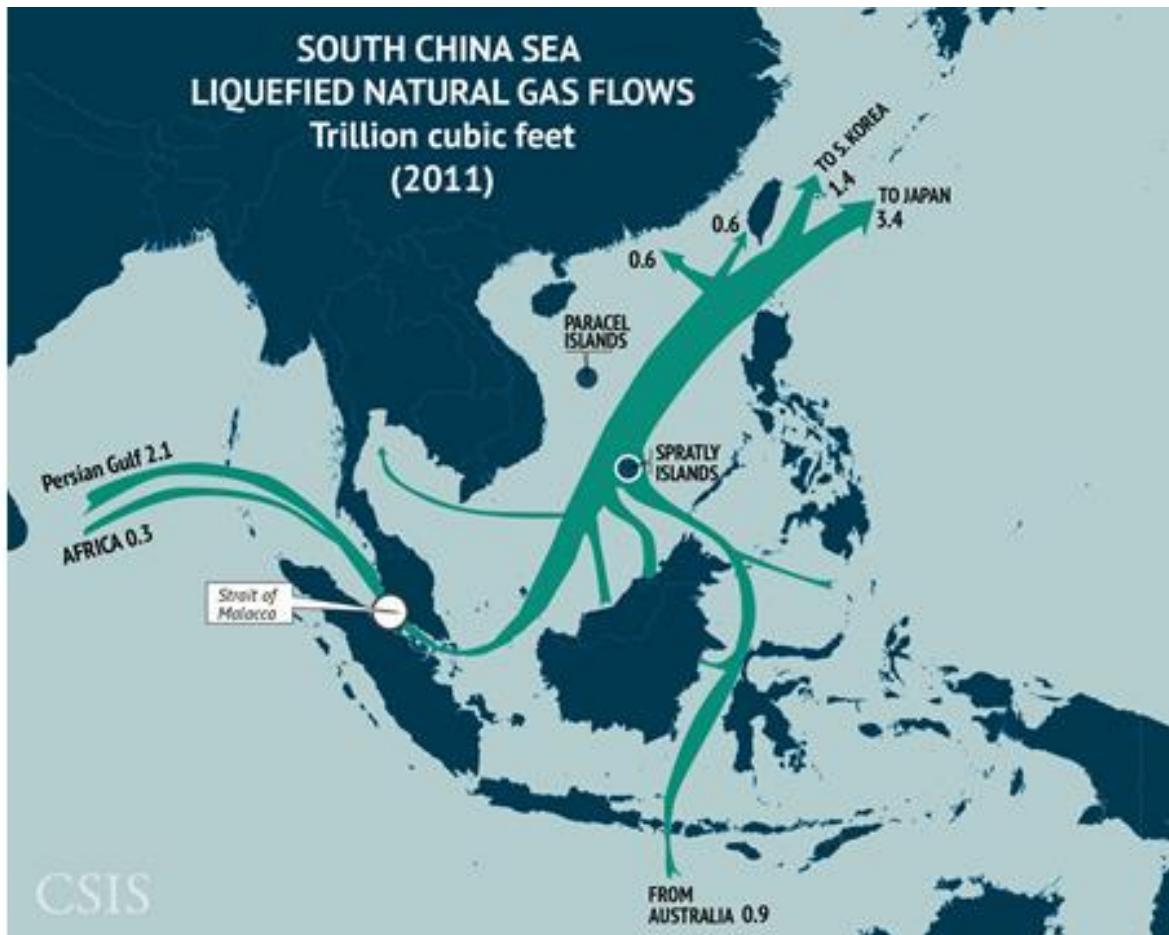
Map 5

Daily transit volumes through world maritime oil chokepoints



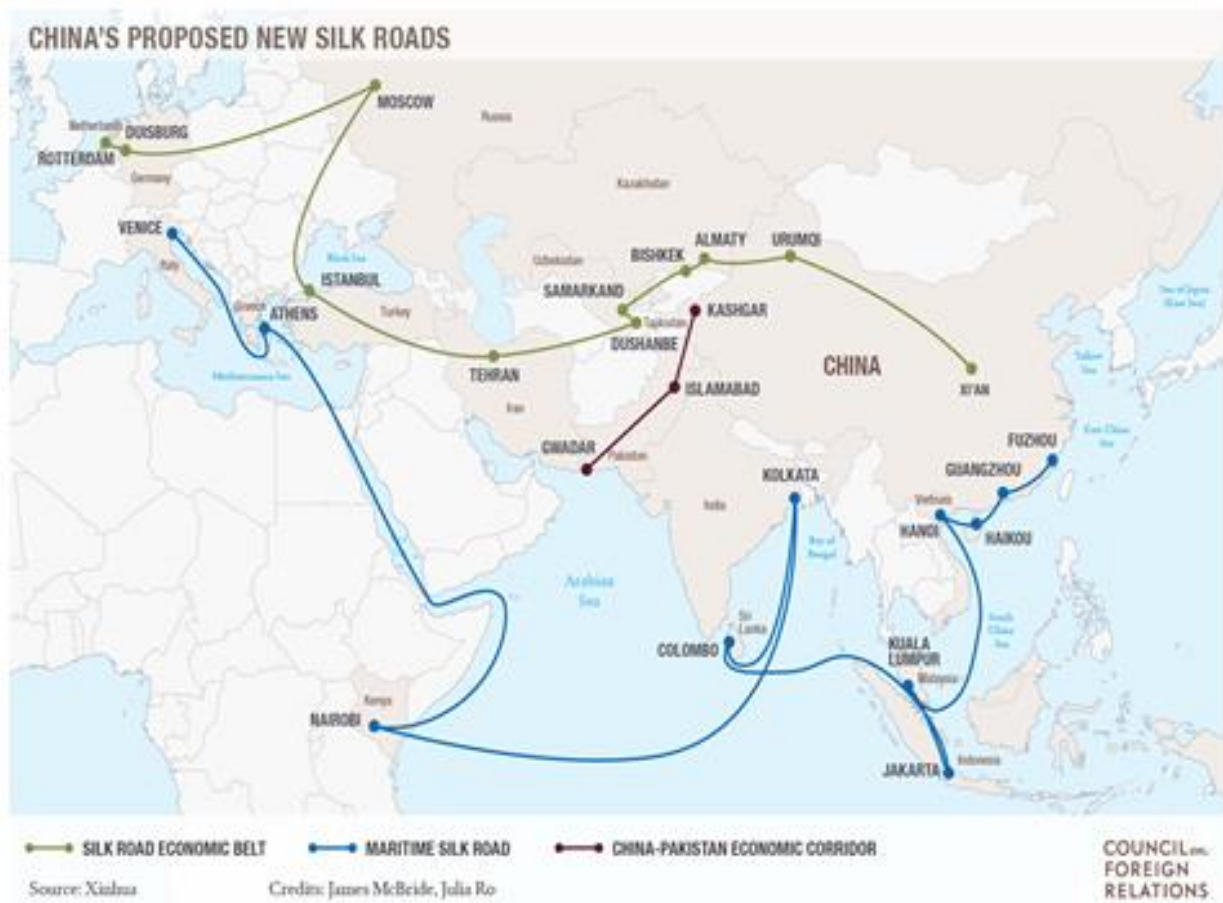
Sources: U.S. Energy Information Administration analysis based on Lloyd's List Intelligence, Panama Canal Authority, Eastern Bloc Research, Suez Canal Authority, and UNCTAD, using EIA conversion factors.

Map 6



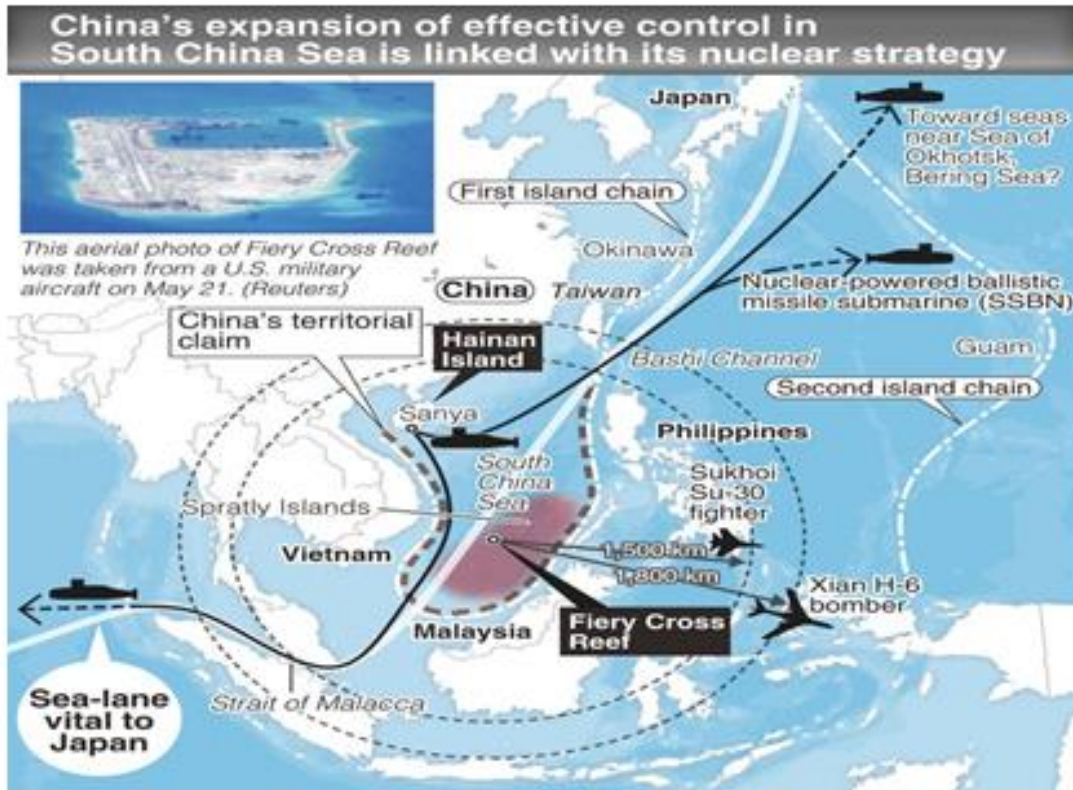
Center for Strategic and International Studies, Asia Maritime Transparency Initiative (AMTI), "18 Maps that Explain Maritime Security in Asia," <https://amti.csis.org/atlas/>

Map 7



Council on Foreign Relations, "Building the New Silk Road," May 25, 2015. <http://www.cfr.org/asia-and-pacific/building-new-silk-road/p36573>

Map 8



A Japanese map republished in Peter Lee, "America has a China-containment policy." *Asia Times*, (17 June 2015). <http://atimes.com/2015/06/its-official-america-has-a-china-containment-policy/>

Map 9



“Twelve Countries Reach Trans-Pacific Partnership Deal,” *Student Daily*, October 7, 2015.
<https://www.studentnewsdaily.com/daily-news-article/twelve-countries-reach-trans-pacific-partnership-deal/>

Map 10

US Air Force in the Asia-Pacific



<http://globalbalita.com/wp-content/uploads/2012/10/Air-Sea-Battle-map.jpg>

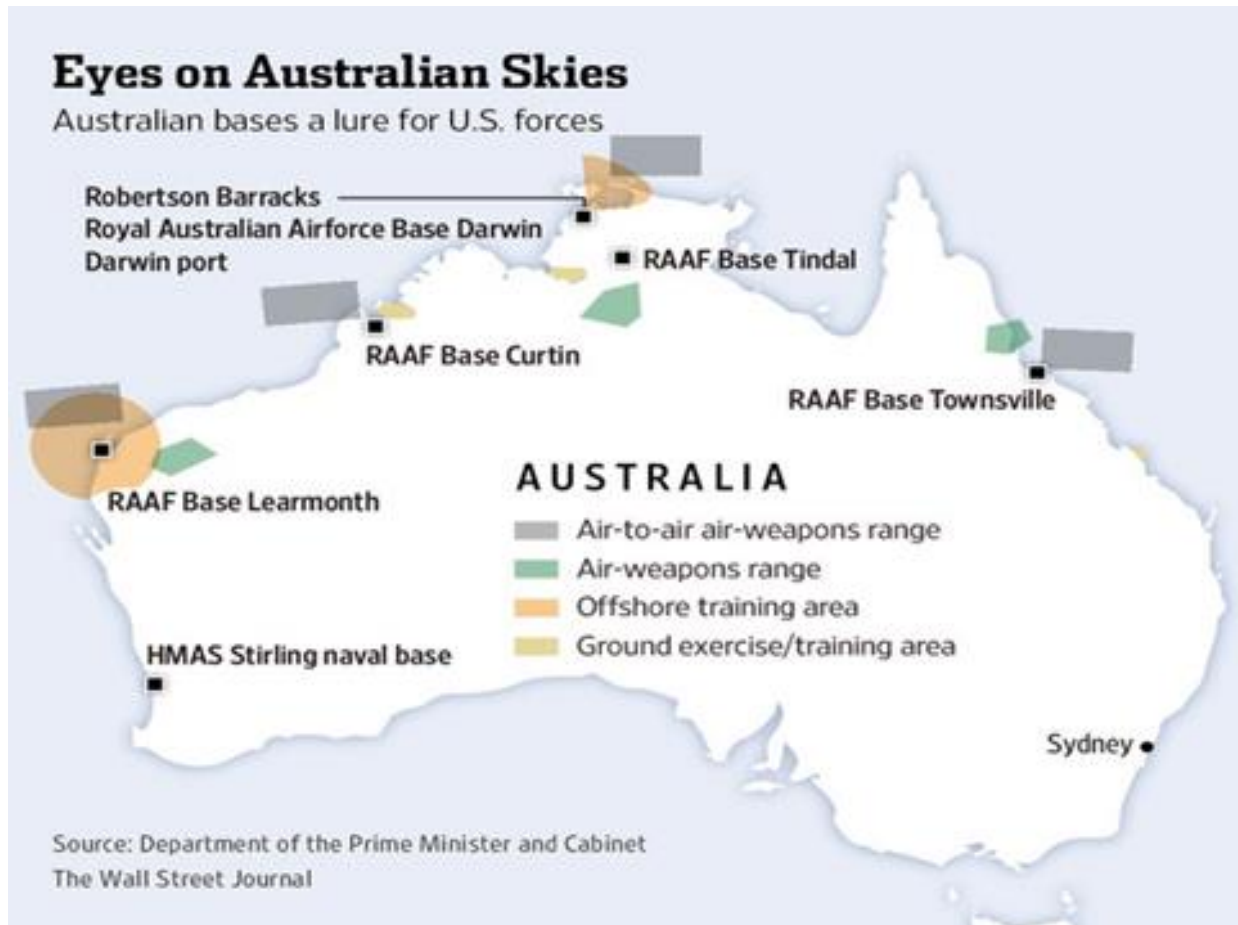
Military Bases in the Philippines for Joint Base Construction

Map 11



Gerg Cahiles, "U.S., Philippines announce five military bases for EDCA," CNN Philippines, March 21, 2016, <http://cnnphilippines.com/news/2016/03/19/edca-bases-philippines-us.html>

Map 12



Rob Taylor, "Australia embraces U.S. Marine Presence as Nations Gather for 'Pitch Black' Drills", *The Wall Street Journal*, August 14, 2014, <http://www.wsj.com/articles/australia-embraces-u-s-marine-presence-in-darwin-as-nations-gather-for-pitch-black-drills-1408035997>

NOTES

¹ In addition to the more than 30 experts interviewed in August 2015, this report takes into account the views of more than 30 experts who were interviewed in 2014 in Southeast Asia, as well as briefings from a 2014 visit to US Pacific Command (USPACOM), Pacific Air Forces (PACAF), and Marine Forces Pacific (MARFORPAC). See Stephen F. Burgess, "The Rebalancing of the US Strategic Posture to Implement its Defense Strategy and Maintain Access to an Increasingly Bipolar Asia," USAF Institute of National Security Studies Research Report, 2014 and Stephen F. Burgess, "Rising Bipolarity in the South China Sea: The Impact of the US Rebalance to Asia on China's Expansion," *Contemporary Security Policy* (April 2016), pp. 111-143.

² Stephen Biddle and Ivan Oelrich, "Future Warfare in the Pacific: From Command of the Commons to Sphere of Influence," paper presented at the American Political Science Annual Meeting, 6 September 2015.

³ Alastair Iain Johnston, "How New and Assertive Is China's New Assertiveness?" *International Security*, Vol. 37, No. 4 (Spring 2013), pp. 7-48.

⁴ Jeffrey W. Taliaferro, "Anarchy: Defensive Realism Revisited," *International Security*, vol. 25, issue 3, (2001), pp. 128-161.

⁵ Jonathan Kirshner, "The Tragedy of Offensive Realism: Classical realism and the rise of China," *European Journal of International Relations*, vol. 18, no. 1, (March 2012), pp. 53-75.

⁶ Jianwei Wang, Professor of Political Science, University of Macau, Taipa, Macau, interviewed 17 August 2015; The "New Silk Road/One Belt One Road" strategy has been likened to the US Marshall Plan of the late 1940s in Europe in regard to the economic stimulus that the aid strategy would provide and the influence that would accrue to China.

⁷ Kirshner, pp. 53-75. China may eventually want to conduct electronic surveillance off the coast of Guam or India, so its claim of a 200-mile EEZ zone off the coast of Hainan Island may cause problems after China expands beyond the first island chain.

⁸ Kerry Lynn S. Nankivell, "China's Most Dangerous Game: Solving the Policy Puzzle of the South China Sea," *Asia Pacific Defense Forum*, Vol. 41, Issue 1 (2016), pp. 31-39.

⁹ Andrew S. Erickson and Conor M. Kennedy, "China's Island Builders: The People's War at Sea," *Foreign Affairs*, 9 April 2015 <https://www.foreignaffairs.com/articles/east-asia/2015-04-09/china-s-island-builders> (accessed 1 February 2016).

¹⁰ The US Energy Intelligence Agency estimates that the South China Sea has about 11 billion barrels of oil and 190 trillion cubic feet of natural gas rated as proved or probable reserves. See Chris Horton, "China Zeroes in on Energy Potential of the South China Sea," *The New York Times*, (28 October 2014), http://www.nytimes.com/2014/10/29/business/energy-environment/beijing-zeroes-in-on-energy-potential-of-south-china-sea.html?_r=0 (accessed 1 February 2016).

¹¹ Bill Hayton, *The South China Sea: The Struggle for Power in Asia*, Yale University Press, 2014, pp. 121-150. CNOOC is working with Husky Energy of Canada, which is owned largely by a Hong Kong businessman. Russian oil and gas companies are also working with CNOOC.

¹² Peter Lee, "America has a China-containment policy," *Asia Times*, (17 June 2015). <http://atimes.com/2015/06/its-official-america-has-a-china-containment-policy/> (accessed 20 July 2015).

¹³ Andrew Browne, "After Chinese Stock Plunge, a Hole Shows in Xi's 'China Dream'," *Wall Street Journal*, (15 July 2015.) While China seems to be making major multilateral moves to gain influence in Asia, it has not always followed up on its pledges of aid. For example, China actually transferred only six percent of \$66 billion in pledged aid to Pakistan from 2003 to 2011.

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- ¹⁴ Cheng-Dong Tso, National Taiwan University, Taipei, Taiwan, interviewed 7 August 2015. Seiichiro Takagi, Asuka Matsumoto, and Kensoke Yanagida, Japan Institute of International Affairs, Tokyo, interviewed 21 August 2015. China will experience difficulties meeting the criteria for the TPP.
- ¹⁵ Andrew Chubb, "The South China Sea: Defining the Status Quo," *The Diplomat*, (11 June 2015).
- ¹⁶ Jihyun Kim, "Territorial Disputes in the South China Sea: Implications for Security in Asia and Beyond," *Strategic Studies Quarterly*, Vol. 9, No. 2 (Summer 2015), pp. 107-141.
- ¹⁷ David E. Sanger and Rick Gladstone, "Piling Sand in a Disputed Sea, China Literally Gains Ground," *The New York Times*, (8 April 2015). Interviews with US officials in Kuala Lumpur, Malaysia, 14 August 2014. One US official believes that once China builds enough bases in the SCS that it will dispose of the nine-dash line and its appeals to Chinese nationalism.
- ¹⁸ Jianwei Wang, Macau, 17 August 2015. Others believe that Xi is focusing too much on East Asia and that Hu Jin Tao's "look west" strategy made more sense in regard to pipelines that could bring oil and gas from the Middle East and roads and railways that would connect China with Europe (see map in appendix 1).
- ¹⁹ Minnie Chan and Kristine Kwok, senior editors, *South China Morning Post (SCMP)*, Hong Kong, interviewed 13 August 2015. President Xi Jinping is criticized for having too many aspirations, especially "One Belt One Road" and "China Dream." For one, the "Maritime Silk Road" appears difficult to achieve given the dominance of the US and its allies and partners in the Indian Ocean. Instead, the focus should be on Central Asia and overland routes for oil/gas and manufactured goods.
- ²⁰ Ramon Pacheco Pardo, "Guided by Identities? A constructivist approach to sino-american relations," *Estudos Internacionais*, vol. 2, no. 1 (Jan-Jun 2014), pp. 49-53. China's leaders believe that they possess "the mandate of heaven" (*tianming*) to dominate "all under heaven" (*tianxia*). This belief informs China's strategic culture and Chinese nationalism.
- ²¹ Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese Culture* (Princeton: Princeton University Press, 1998).
- ²² I. Yuan, Institute of International Relations (IIR) National Chengchi University, interviewed 7 August 2015.
- ²³ *Ibid.* Recently China has added another dash near Taiwan to create a "ten-dash line".
- ²⁴ *Ibid.* Very few features in the SCS qualify as "islands" under Article 21 of UNCLOS.
- ²⁵ Greg Torode, journalist, Thomson–Reuters, Hong Kong, interviewed 14 August 2015. The UNCLOS case will only be an opinion as China refused to submit a case to be heard. China's leaders believe that the United States is behind the Philippines case, and some even think that it was a mistake for China to accede to UNCLOS. In contrast, other Chinese leaders and experts are using UNCLOS to argue China's claim to the Senkaku/Diaoyu Islands against Japan.
- ²⁶ Dr. Simon Shen, Chinese University of Hong Kong International Affairs Research Centre, interviewed 14 August 2015.
- ²⁷ Rex Li, *A Rising China and Security in East Asia*, (London: Routledge, 2008), p. 18.
- ²⁸ Shen, 14 August 2015.
- ²⁹ Zachary Keck, "Most Chinese Expect a War with China," *The Diplomat* (11 September 2014). <http://thediplomat.com/2014/09/poll-majority-of-chinese-expect-war-with-japan/> (accessed 11 January 2016).
- ³⁰ Shen, 14 August 2015. Chinese officials wonder why the United States is pressing observance of UNCLOS when Washington refuses to ratify the convention.
- ³¹ Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia*, (New York: W.W. Norton, 2011).

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- ³² John J. Mearsheimer, *The Tragedy of Great Power Politics*, (New York: W.W. Norton, 2001).
- ³³ Zhang Baohui, Lingnam University, Hong Kong, interviewed 13 August 2015.
- ³⁴ Zhang Baohui, "Xi Jinping, 'Pragmatic' Offensive Realism and China's Rise," *Global Asia*, vol. 9, no. 2 (Summer 2014), pp. 71-79.
- ³⁵ Dingding Chen and Xiaoyu Pu, "Correspondence: Debating China's Assertiveness," *International Security*, vol. 38, no. 3 (Winter 2013/2014), pp. 177-180.
- ³⁶ Zhang Baohui, 13 August 2015.
- ³⁷ Chan and Kwok, 13 August 2015.
- ³⁸ Feng Zhang, "Beijing's Master Plan for the South China Sea," *Foreign Policy*, (23 June 2015). The seven militarized outposts were constructed on the following reefs: Fiery Cross, Subi, Mischief, Cuarteron, Gaven, Hughes and Johnson South (see maps in appendix 1). See Kerry Lynn S. Nankivell, "China's Most Dangerous Game: Solving the Policy Puzzle of the South China Sea," *Asia Pacific Defense Forum*, Vol. 41, Issue 1, (2016), pp. 31-39.
- ³⁹ Chan and Kwok, 13 August 2015.
- ⁴⁰ Jane Perlez, "China is Rapidly Adding Coast Guard Ships, U.S. Navy Says," *The New York Times*, (10 April 2015). Several experts think that, before Xi came to power in 2013, the PLA Southern Command and Coast Guard and other forces were operating to a large extent on their own. There is a widespread view that the Ministry of Foreign Affairs and its "peaceful rise" campaign have been marginalized since 2008.
- ⁴¹ The Center for Strategic and International Studies' Asia Maritime Transparency Initiative. <http://amti.csis.org/> has identified threats to FoN and open skies from China's expansion in the SCS and ECS.
- ⁴² Chan and Kwok, 13 August 2015.
- ⁴³ Shen, 14 August 2015. President Xi Jing Ping has declared the SCS and Hong Kong as "national security priorities" which elevates them on China's agenda.
- ⁴⁴ Jonathan Luckhurst, "China-US Economic Cooperation as Antidote to Strategic Conflict," in *G20 since the Global Crisis*, Palgrave Macmillan, 2016, pp. 215-247.
- ⁴⁵ Zhang Baohui, 13 August 2015.
- ⁴⁶ Yu Liu and Dingding Chen, "Why China Will Democratize," *The Washington Quarterly*, 35:1, Winter 2012, pages 41-63.
- ⁴⁷ Alexander Huang, Chinese Council of Advanced Policy Studies, Taipei, Taiwan, interviewed 11 August 2015.
- ⁴⁸ Carlyle A. Thayer, "ASEAN, China and the Code of Conduct in the South China Sea," *SAIS Review of International Affairs*, Volume 33, Number 2, (Summer-Fall 2013), pp. 75-84.
- ⁴⁹ US Forces Japan (USFJ) officials, Yokota, Air Base, Japan, interviewed 20 August 2015. Japan is trying to hold on to the Senkaku/Diaoyu Islands by resisting China while trying to gain back the Kuril Islands by appeasing President Vladimir Putin and Russia.
- ⁵⁰ Alexander Cooley and Kimberly Marten, "The Political Economy of Okinawa's Antimilitarism," *Armed Forces and Society*, Vol. 32, No.4, (July 2006), pp. 566-583. Okinawa is a keystone to US-Japanese defense of the first island chain. However, the stationing of 25,000 US service personnel stationed there has resulted in occasional criminal incidents that outrage the local population and Japanese public opinion. Also, US 5th Air Force officials, Yokota Air Base, Japan, interviewed 20 August 2015. Okinawan politicians have been found to play to the press. In addition, as a result of security legislation, the 5th AF stopped essential site surveys of Japanese airfields.

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- ⁵¹ Narushige Michishita and Richard J. Samuels, "Hugging and Hedging: Japanese Grand Strategy in the Twenty-First Century," in Henry R. Nau and Deepa M. Ollapally, *Worldviews of Aspiring Powers*, Oxford University Press, 2012, pp. 146-181. There have been two times when the LDP has lost power, when its leaders became involved in too many scandals and/or failed in crisis situations.
- ⁵² Seiichiro Takagi, Asuka Matsumoto, and Kensoke Yanagida, Japan Institute of International Affairs, Tokyo, interviewed 21 August 2015. China will experience difficulties meeting the criteria for the TPP.
- ⁵³ Lt Gen (retired) Toshimichi Nagaiwa, Japanese Air Self-Defense Force, Nagaiwa Associates, Tokyo, interviewed 19 August 2015. Officials from the United States and Japan are consulting with their counterparts in China to try to reduce the risk of mid-air collisions. There has already been progress made in preventing maritime collisions.
- ⁵⁴ USFJ officials, Japan, 20 August 2015.
- ⁵⁵ Toshi Yoshihara, "Japanese Hard Power: Rising to the Challenge," in Gary Schmitt, ed. *A Hard Look at Hard Power*, United States Army War College, 2015, pp. 315-350.
- ⁵⁶ USFJ officials, Japan, 20 August 2015.
- ⁵⁷ US 5th Air Force officials, 20 August 2015.
- ⁵⁸ USFJ officials, 20 August 2015.
- ⁵⁹ US 5th Air Force officials, 20 August 2015. Deputy National Security Advisor Nobushige Takamizawa is especially active in exploring ways to increase JSDF capabilities and in composing the National Security Strategy.
- ⁶⁰ USFJ officials, 20 August 2015.
- ⁶¹ Kwei Bo Huang, Association of Foreign Relations, Taipei, Taiwan, 11 August 2015. Also, Alexander Huang, 11 August 2015.
- ⁶² USFJ officials, 20 August 2015. The Japanese Diet has demonstrated willingness to pass "situational security legislation." The top priority is "survival legislation" of defining "gray zone" issues with China (over the Senkaku/Diaoyu Islands) and redefining "collective self-defense" with the United States; second is "influence legislation" involving the naming or renaming of islands in the Senkaku/Diaoyu chain; and third is legislation helping to revolve "international community issues," such as the Philippines rusting hulk, the *Sierra Madre*, where Japan can assist the Philippines in sovereignty matters.
- ⁶³ US Embassy official, Tokyo, Japan, interviewed 19 August 2015.
- ⁶⁴ Alexander Huang, 11 August 2015. There are many experts who think that the PRC could "buy Taiwan."
- ⁶⁵ *Ibid.*
- ⁶⁶ I-Chung Lai, Taiwan Thinktank, Taipei, interviewed 11 August 2015. Increases in US security cooperation and joint exercises mitigated the declines to come extent. Interview with US official, US Institute, Taipei, Taiwan, 7 August 2015.
- ⁶⁷ Alexander Huang, 11 August 2015.
- ⁶⁸ Kwei Bo Huang, 11 August 2015. The last DDP government of President Chen Shui-ban (2000-8) was notoriously corrupt and ineffective.
- ⁶⁹ Interview with US official, US Institute, Taipei, Taiwan, 7 August 2015.
- ⁷⁰ I-Chung Lai, 11 August 2015.
- ⁷¹ Interview with US official, US Institute, Taipei, 7 August 2015.
- ⁷² I-Chung Lai, 11 August 2015.

⁷³ Greg Torode, journalist, Thomson–Reuters, Hong Kong, interviewed 14 August 2015. For example, it is reported that Chinese officials make daily visits to Vietnam’s Ministry of Foreign Affairs and other agencies and “lecture” their Vietnamese counterparts about the SCS and other issues.

⁷⁴ *Ibid.*

⁷⁵ Sarah Raine and Christian Le Miere, *Regional Disorder: The South China Sea Disputes*, The International Institute for Strategic Studies, 2013, pp. 180-188.

⁷⁶ Interviews with US officials in Taiwan and Japan, August 2015.

⁷⁷ Interview with US Forces Japan (USFJ) officials, Yokota Air Base, Japan, 20 August 2015.

⁷⁸ Interviews with think tank and academic experts and US officials in Hong Kong and Macau, Taiwan and Japan, August 2015.

⁷⁹ Hayton, *The South China Sea*, pp. 180-238.

⁸⁰ Carlos D. Sorreta and Mary Fides A. Quinto, “Moratorium in the South China Sea: Charting a Course Towards Peace,” Center for International Relations and Strategic Studies (The Philippines), Commentaries, (Vol. 1, No. 5, August 2014).

⁸¹ Michael McDevitt, “The South China Sea: Assessing U.S. Policy and Options for the Future,” Center for Naval Analysis Occasional Paper, November 2014. <http://www.cna.org/sites/default/files/research/IOP-2014-U-009109.pdf> (accessed 1 February 2016).

⁸² Rosemary Foot and Andrew Walter, *China, the United States and the Global Order*, Cambridge University Press, 2011.

⁸³ Austin Ramzy and Chris Buckley, “Pacific Rim Deal Could Reduce Chance of Unintended Conflict in Contested Seas,” *The New York Times*, (23 April 2014), <http://nyti.ms/1I0swx1> (accessed 1 February 2016).

⁸⁴ US officials in Japan, interviewed 19 and 20 August 2015.

⁸⁵ Ely Ratner, “A Summer Calendar for Advancing U.S. Policy toward the South China Sea,” Center for New American Security, (May 2014), pp. 1-9. <http://www.cnas.org/2014-agenda-for-south-china-sea#.VQyDhjgcTxg> (accessed 1 February 2016).

⁸⁶ Zakaria, “With an absent United States, China marches on.”

⁸⁷ Interviews with US officials in Hong Kong and Macau, Taiwan and Japan, August 2015.

⁸⁸ Michishita and Samuels, “Hugging and Hedging: Japanese Grand Strategy,” pp. 146-181.

⁸⁹ Ankit Panda, “Obama: Senkakus Covered Under US-Japan Security Treaty,” *The Diplomat*, (24 April 2014).

⁹⁰ Interviews with US officials, US Embassy, Tokyo and USFJ and US 5th Air Force, Yokota Air Base, Japan, 19 and 20 August 2015.

⁹¹ USFJ officials, Japan, 20 August 2015.

⁹² David Feith, *Wall Street Journal*, Hong Kong, interviewed 14 August 2016. Andrew Shearer, “Australia-Japan-U.S. Maritime Cooperation: Creating Federated Capabilities for the Asia Pacific,” Center for Strategic and International Studies, 2016.

⁹³ “TPP: What is it and What does it matter?” BBC, 6 February 2016, <http://www.bbc.com/news/business-32498715>. (accessed 10 February 2016).

⁹⁴ *Ibid.*

⁹⁵ Seiichiro Takagi, Asuka Matsumoto, and Kensoke Yanagida, Japan Institute of International Affairs, Tokyo, interviewed 21 August 2015.

⁹⁶ I-Chung Lai, Taiwan Thinktank, Taipei, interviewed 11 August 2015.

⁹⁷ *Ibid.* The twelve TPP states are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam. Negotiations succeeded in November 2015, and the ratification process has commenced.

⁹⁸ The US Congress will not approve the TPP in the 2016 election season. However, after the elections in the lame duck session of November 2016, members of Congress will not be under pressure to resist the TPP, and it may pass.

⁹⁹ Cheng-Dong Tso, National Taiwan University, Taipei, Taiwan, interviewed 7 August 2015.

¹⁰⁰ US Department of Defense, *Defense Strategic Guidance*, January 2012, provides direction for the military rebalance to Asia.

¹⁰¹ Aaron L. Friedberg, *Beyond Air–Sea Battle: The Debate over US Military Strategy in Asia*, Adelphi Book 444 (London: International Institute of Strategic Studies, April 2014).

¹⁰² US Department of Defense, *Asian Maritime Strategy*, 14 August 2015.
http://www.defense.gov/Portals/1/Documents/pubs/NDAA%20A-P_Maritime_Security_Strategy-08142015-1300-FINALFORMAT.PDF (accessed 10 November 2015).

¹⁰³ US Department of the Navy, *A Cooperative Strategy for 21st Century Seapower*, (March 2015)
<http://www.navy.mil/local/maritime/150227-CS21R-Final.pdf> (accessed 1 May 2015).

¹⁰⁴ Oriana Skylar Mastro, *USAF Strategic Approach in the Asia-Pacific: Aspirations and Reality*, Banyan Analytics Brief, Analytic Services, Corp. (ANSER), 3 October 2013, http://www.anser.org/babrief_USAF-strategic-approach.

¹⁰⁵ USFJ officials, 20 August 2015. US forces have plans for dispersal, but there is still a high degree of concentration. For example, Kadena Air Base has a concentration of chemical counterproliferation equipment. B2 bombers are at one base, and an overwhelming number of RPAs are controlled from Creech Air Force Base in Nevada.

¹⁰⁶ US 5th Air Force officials, 20 August 2015.

¹⁰⁷ USFJ officials, 20 August 2015. In the cyber realm, China may have the advantage in some areas. The United States needs to develop a cyber posture and Phase 0 preparation and shaping operations.

¹⁰⁸ Interview with US official, US Institute, Taipei, Taiwan, 7 August 2015. The US Army has responsibility for ground-based theater missile defense and may also assist Taiwan.

¹⁰⁹ Carnes Lord and Andrew Erickson, *Rebalancing U.S. Forces: Basing and Forward Presence in the Asia-Pacific*, (Washington, DC: Naval Institute Press, 15 May 2014).

¹¹⁰ David Lai, "Learning from the Stones: a 'Go' Approach to Mastering China's Strategic Concept" *Federation of American Scientists*, (May 2014). As in the game of "Go," China can continue to expand in the SCS by creating territory, surrounding its adversaries, and seizing space, and there is little that the United States and its allies can do to stop it.

¹¹¹ Steven Sashwick, "Naval Buildups in the South China Sea: Southeast Asian naval capabilities are surging. But how meaningful is that?" *The Diplomat*, (15 July 2015). See also Friedberg, *Beyond Air-Sea Battle*.

¹¹² Think tank and academic experts and US officials in Hong Kong and Macau and Taiwan and Japan, interviewed in August 2015. US PACOM, PACAF and MARFORPAC officials, briefings 22-23 September 2014. However, too many exercises will stress their militaries.

¹¹³ *Ibid.*

¹¹⁴ *Ibid.*

¹¹⁵ Shearer, "Australia-Japan-U.S. Maritime Cooperation," 2016.

¹¹⁶ Brig Gen Steven L. Basham, USAF and Maj Nelson D. Rouleau, USAF, "A Rebalance Strategy for Pacific Air Forces: Flight Plan to Runways and Relationships," *Air and Space Power Journal*, Vol 30, Number 1, (January-February 2015), pp. 1-19.

¹¹⁷ Michael J. Lostumbo, et al., *Overseas Basing of U.S. Military Forces: An assessment of relative costs and strategic benefits*, RAND Corporation, 2013.
http://www.rand.org/content/dam/rand/pubs/research_reports/RR200/RR201/RAND_RR201.pdf (accessed 10 October 2015).

¹¹⁸ Biddle and Oelrich, "Future Warfare in the Pacific," 2015.

¹¹⁹ US 5th Air Force officials, 20 August 2015.

¹²⁰ *Ibid.* Besides dispersal, the USAF and other forces require camouflage, hardening, and redundancy, given China's rising missile capabilities.

¹²¹ *Ibid.* Among the logistical challenges, site surveys would have to be performed at proposed FOLs.

¹²² In the hunt for Malaysian Airlines MH 370, US forces used three Australian bases, including RAAF Learmouth in the northwest and RAAF Perce in the southwest near Perth (see map in appendix 1).

¹²³ Robert C. Owen, "Sea-Land Basing of Air Refueling Forces: A Concept for Resiliency and Efficiency," *Air and Space Power Journal*, Vol. 29, No. 2, (March-April 2015), pp. 3-20.

¹²⁴ Jeff Schogol, "Bombers, Tankers Could Rotate to Australia," *Air Force Times*, 18 November 2015.

¹²⁵ Josh Rogin, "Malaysia and US in Talks to Ramp Up China Spying," *Bloomberg View*, 3 September 2015. <https://www.bloomberg.com/view/articles/2015-09-03/malaysia-and-u-s-in-talks-to-ramp-up-china-spying> (accessed 10 May 2016).

¹²⁶ USFJ officials, 20 August 2015. However, Global Hawk and Predator RPAs are still needed in the CENTCOM area of responsibility (AOR) to counter Daesh (ISIS) and Al Qaeda

¹²⁷ Interviews with think tank and academic experts and US officials in Hong Kong and Macau and Taiwan and Japan, August 2015. Interactions with US officials at US PACOM, PACAF and MARFORPAC, 22 September 2014. One estimate is that US military presence in the Asia-Pacific increased by ten percent from 2011-2014.

¹²⁸ Cyber considerations must be at the forefront when considering going to war against China. The US military must take this into consideration when posturing forces against China in the physical world. Failure to do so could be catastrophic. See for example, Peter Singer and August Cole, *Ghost Fleet*, Eamon Dolan/Houghton Mifflin Harcourt, 2015, which depicts a future cyber war with China and Russia.

¹²⁹ USFJ officials, 20 August 2015. PACOM is criticized for having too many lines of effort (4) in dealing with China.

¹³⁰ Robert Haddick, *Fire on the Water: China, America and the Future of the Pacific*, (Washington, DC: Naval Institute Press, 2014). Haddick believes that China's navy will be able to challenge the US Navy in the next decade. In opposition, Bill Hayton concludes that the US Navy is so powerful that the current order in the South China Sea will be preserved for years to come, Bill Hayton, *The South China Sea: A Struggle for Power*, (New Haven: Yale University Press, 2014).

¹³¹ USFJ officials, 20 August 2015.

¹³² *Ibid.*

¹³³ Evan Braden Montgomery, "Contested Primacy in the Western Pacific," *International Security*, Vol. 38, No. 4 (Spring 2014), pp. 115-149. In regard to ways in which the United States can project air, space and cyber power, the dispersal of US forces to Forward Operating Locations (FOLs) could make it easier for the United States to project air power in the SCS and more difficult for China to attack US bases. Medium-range attack capabilities could be based in Australia and Papua New Guinea. Logistics would be problematic in a dispersal strategy. Another option is "global strike" based in the United States. A combination of the three would be optimal strategically but expensive. Global strike alone is the

alternative strategy to dispersal. However, the US would lose presence and influence in Southeast Asia if it pursues the global strike option alone.

¹³⁴ USFJ officials, 20 August 2015.

¹³⁵ *Ibid.*

¹³⁶ Aaron L. Friedberg, *Beyond Air-Sea Battle: The Debate over US Military Strategy in Asia*, Routledge for the International Institute for Strategic Studies, 2014.

¹³⁷ Harry Kazianis, "Air Sea Battle's Next Step: JAM-GC on deck," *The National Interest*, 25 November 2015.

¹³⁸ *Ibid.* p. 73.

¹³⁹ Caitlin Talmadge, "Preventing Nuclear Escalation in Conventional Conflict: The Case of the United States and China," paper presented at the International Studies Association Annual Meeting, 18 March 2016.

¹⁴⁰ Friedberg, *Beyond Air-Sea Battle*, pp. 73-74. Distant blockade equates to preventing shipping (especially oil tankers) bound for China from passing through a few key choke points, while maritime denial adds to the blockade by attacking Chinese naval vessels and commercial shipping inside China's first island chain. For a full overview of distant blockade, see p. 108-110. For maritime denial, see p. 117.

¹⁴¹ *Ibid.* pp. 121-123.

¹⁴² Christopher H. Sharman, *China Moves Out: Stepping Stones toward a New Maritime Strategy*, Center for the Study of Chinese Military Affairs, Institute for National Strategic Studies, National Defense University, April 2014.

¹⁴³ Friedberg, *Beyond Air-Sea Battle*, p. 99 and pp. 140-141. Friedberg favors an approach that starts with maritime denial and then escalates to JAM-GC if China is not deterred. Also, he supports investment in discontinuous new technology such as directed energy weapons and autonomous aerial vehicles as part of the JAM-GC approach and investment in unmanned underwater vehicles (UUVs) and mine-laying capability to support maritime denial.

¹⁴⁴ Shearer, "Australia-Japan-U.S. Maritime Cooperation," 2016.

¹⁴⁵ Prashanth Parameswaran, "US Kicks Off New Maritime Security Initiative for Southeast Asia," *The Diplomat*, 10 April 2016. Most of the initial assistance is going to the Philippines.

¹⁴⁶ Eileen Natuzzi, "Pacific Partnership: Can an Expensive Exercise Deliver More Value?" *The Diplomat*, 26 April 2014.

¹⁴⁷ US 5th Air Force officials, Yokota Air Base, interviewed 20 August 2015.

¹⁴⁸ Tsuneo Watanabe, Tokyo Foundation, interviewed 19 August 2015.

¹⁴⁹ USFJ officials, 20 August 2015. Prime Minister Abe is sensitive to the requirements of the JMSDF.

¹⁵⁰ *Ibid.* 20 August 2015. There is no Japanese equivalent of US Northern Command.

¹⁵¹ James Simpson, "Operation Tomodachi Ends," *Japan Security Watch*, New Pacific Institute, 1 May 2011. <http://jsw.newpacificinstitute.org/?p=5939> (accessed 10 November 2015).

¹⁵² Eric Johnston, "Operation Tomodachi a huge success, but was it a one-off?" *The Japan Times*, 3 March 2012.

¹⁵³ USFJ officials, 20 August 2015. Five undersea cables connect PACOM with USFJ, and the bandwidth is insufficient. If communications are cut, it is uncertain what the contingency would be. US 5th AF officials, 20 August 2015. There has been no discussion of C2 contingencies in case of conflict with China and no planning in regard to whom will do what. It is noteworthy that PACOM's 5027 (defense of Korea) and 5055 (defense of Japan) plans are inter-related and provide the basis for contingency planning.

¹⁵⁴ *Ibid.* The USFJ deals with largely with military issues involving Okinawa and not with preparing to command US forces against an attack from China.

¹⁵⁵ *Ibid.* The 3rd Marine Expeditionary Force or the 31st Marine Expeditionary Unit or the 7th fleet would have done a better job than PACOM in working with the Disaster Assistance Response Team in leading tsunami relief. The operation demonstrated that the PACOM command structure is too complicated.

¹⁵⁶ For example, Toshimichi Nagaiwa, 19 August 2015, estimates that it will take at least three to five years for USAF and JASDF cooperation to reach a high readiness level. It is difficult for the JASDF to maintain operational readiness and meet the task of increasing security coop with the USAF.

¹⁵⁷ Watanabe, 19 August 2015. Japan needs to develop the logistics for collective self-defense with the United States against China's expansion.

¹⁵⁸ US 5th Air Force officials, 20 August 2015.

¹⁵⁹ USFJ officials, 20 August 2015. Japan could choose from a host of contractors to conduct the tactical-level RPA operations in direct support of JSDF, Coast Guard, or other civilian organization over the Senkaku/Diaoyu Islands.

¹⁶⁰ *Ibid.*

¹⁶¹ US official, US Embassy, Tokyo, Japan, interviewed 19 August 2015.

¹⁶² Nagaiwa, 19 August 2015.

¹⁶³ *Ibid.* The JASDF would like to conduct joint exercises with the air forces of Vietnam and the Philippines.

¹⁶⁴ USFJ officials, 20 August 2015.

¹⁶⁵ Kwei Bo Huang, 11 August 2015. Also, Alexander Huang, 11 August 2015.

¹⁶⁶ US officials, US Institute, Taipei, 7 August 2015. From 2010 to 2015, there was a dramatic increase in US DoD personnel flowing into Taiwan, with a total of 3,300 visitors. In addition, there was \$12.8 million in arms sales, with Patriot missiles and Apache and Black Hawk helicopters. There is a debate between the DPP and KMT over the state of the Taiwan military, with the United States ready to assist in upgrades.

¹⁶⁷ Torode, 14 August 2015. Also, US officials at US PACOM, PACAF and MARFORPAC, 22-23 September 2014.

¹⁶⁸ USFJ officials, 20 August 2015.

¹⁶⁹ USFJ officials, 20 August 2015.

¹⁷⁰ Nagaiwa, 19 August 2015. In response to Chinese encroachment, the Indonesian Air Force is reportedly building a fighter base on Natuna Island in the SCS.