

**Testimony Before the Senate Foreign Relations Committee Subcommittee on Asia  
Hearing on Maritime Territorial Disputes in East Asia  
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Senator Webb, members of the committee, it is my honor to appear before you here today. You should be applauded for holding this important hearing and for paying attention to China's rise and growing assertiveness along its maritime periphery.

It has been over a decade since you, Senator Webb, began writing about this topic, and Chinese naval modernization has outpaced even the most extravagant predictions. In the past decade, China has deployed 38 new diesel and nuclear submarines, a deployment rate of 2.9 subs per year. In addition to its purchase of four Russian Sovremenny-class destroyers it has deployed nine new classes of indigenously built destroyers and frigates, equipped with lethal anti-ship cruise missiles.

Moreover, in addition to its extant deployment of over a thousand ballistic missiles, the PLA has been developing a land-based anti-ship ballistic missile equipped with maneuverable re-entry vehicles whose purpose is to hit our own mobile surface ships, including the linchpin of our power projection capability – the carrier battle group. We have not seen anything quite like this naval build-up since the early Cold War. Nor has our Navy *ever* faced the threat of ballistic missiles capable of hitting mobile targets at sea. And you are quite correct when you write that the Chinese Communist Party is making concerted, calculated attempts to enlarge China's "regional strategic space."

What drives this military build-up? It is not driven by threats to China – by any objective measure, China does not face a military threat. With the fall of the Soviet Union, China no longer must concern itself with protecting its land borders from invasion. Since the end of the Cold War the region has, by and large, been at peace.

Instead, I would argue that China's military build-up is driven by domestic factors, the desire for national prestige, and the insecurity of the Chinese Communist Party. China is exhibiting behavior that we would expect from a rising great power. The only surprise is that we expected them to behave differently. The American public has been told time and again by successive administrations and many experts that China's rise would differ from the rise of all other great powers in history. But this is simply not happening.

As China grows stronger and dedicates ever more resources to its military forces, Beijing wants to settle territorial disputes in its favor, push out its maritime periphery, and develop alternative pathways to break out into the open ocean. Indeed, one of the more interesting developments within Chinese strategic circles is the ongoing debate about the importance of Alfred Thayer Mahan, the theorist of our own rise to international prominence, about which Mr. Dutton's colleagues at the Naval War College have written so much.

Chinese navalists are beginning to grapple with how such concepts as “command of seas” and the link between maritime power and international commercial interests apply to the People’s Republic.

We should not be comforted by the fact that China is behaving as all rising powers do. Here is why:

Since the end of World War II, Asia has enjoyed relative security, underwritten in large measure by our own military power and set of security commitments. It is within that security cocoon that most Asian nations have enjoyed peace, prosperity, and increasing democratization. Asia today, by almost any measure – economic, political, demographic, and military – is fast becoming the center of gravity of international politics. Yet China’s rise is beginning to change the sense of stability and security that has allowed for increasing peace, prosperity, and democratization. As a resident Pacific power, we want to see an Asia that continues to grow and prosper peacefully. An Asia in which the US is not seen as the clearly predominant military power will inevitably be a less stable Asia. An insecure region will be more concerned with security competition than with trade, internal reforms, and regional cooperation.

It is within that context that I wish to speak about the maritime territorial disputes in the South and East China Seas. Let me begin with Japan and the Senkaku/Diaoyu Islands dispute, since Japan has long been, and remains, our key ally in the region.

Of all the regional territorial disputes, the Sino-Japanese quarrel in the East China Sea is the most vexing, and perhaps most dangerous. The dispute is grounded in great power competition, historical animosity, the desire to exploit potential energy resources beneath the sea, and concerns over the ultimate disposition of Taiwan. This combination of issues is particularly volatile.

Both countries claim sovereignty over the Senkaku/Diaoyu islands, and both include the islands in their EEZ/continental shelf claims. From the Chinese perspective, the islands are important for reasons of energy security as well as their expanding maritime ambitions.

Let me begin with energy security. Both countries make claims to the Chunxiao gas field which China claims is 5km away from the Japanese median line in the East China Sea. Currently, the Chinese energy company CNOOC is the operator of the field, and energy experts estimate that the Chunxiao could have as much as 250 trillion cubic feet of natural gas and between 70-160 billion barrels of oil.

Since both Japan and China are committed to diversifying their sources of their energy supplies, the natural gas and oil in the East China Sea is of utmost importance to both.

An additional concern for China is the maritime distance between its ports and its main oil suppliers in the Persian Gulf. Beijing is increasingly uncomfortable about relying on U.S. goodwill to patrol those waters. Both national pride and suspicion of the United

States drive China to seek alternative sources and routes of supply, preferably closer to the mainland in areas where China can project military power. The Chunxiao field is thus an important piece of Chinese energy security strategy.

Another concern for Chinese strategists is that the Senkaku/Diaoyu chain resides within what the Chinese call the “first island chain”, a somewhat arbitrary demarcation that runs from the southern Japanese island of Kyushu, through the East and South China Seas. This area includes Taiwan, the Ryukus of Japan, and virtually all of the South China Sea. The Chinese increasingly act as though they want to dominate this island chain. For Chinese strategists, there are defensive and offensive purposes behind these claims.

The Chinese write of being boxed in by a U.S.-Japan alliance that operates too closely to their own shoreline. Once designed to hem in the Soviet Pacific fleet, the alliance is now, Chinese strategists believe, part of an active containment strategy aimed at China. This partly explains China’s recent harassment of the USNS *Impeccable*, as well as its downing of a U.S. surveillance aircraft at Hainan island in 2001. While the United States and China dispute provisions of the Law of the Sea and what constitutes lawful operations in China’s EEZ, I doubt these issues will be resolved in the near future. Geopolitics and Chinese maritime strategy hold greater purchase over China’s position than the law. Simply put, China wants to push the U.S. back further and further away from its shoreline and its claimed spheres of influence.

Many Chinese strategists believe that the PRC cannot be a great power as long as the country is held within the maritime box constructed by Tokyo and Washington. The alliance, which also protects Taiwan, prevents the Chinese from projecting sea power into the Western Pacific. From a defensive perspective, Chinese strategists are committed to impeding U.S. access to this “first island chain” should there be a conflict over Taiwan.

From the Japanese perspective, the Senkakus have been part of Japan throughout modern history – Tokyo never ceded that territory, including after losing World War II when it ceded much territory under the San Francisco Treaty. As it stands, Japan administers the Senkakus – while both China and Taiwan claim the island grouping to be theirs.

Japan has leased part of the island grouping from private owners, intending to control any sale of territorial rights. Both Taiwan and China protested this action. Around the same time in 2003, CNOOC entered into a partnership to produce natural gas at Chunxiao.

Japan protested and demanded China turn over seismic data. While Beijing remained intransigent, Japan granted the right to one of its own oil companies to begin drilling in the East China Sea. China responded by sending a naval flotilla, including a Soveremmeny to the site and issuing a stern warning to Japan to stop any energy exploration within “China’s” territory. Japan did cease its work.

The Chinese flotilla sent to the East China sea in 2005 has not been the first show of China’s maritime might. The Japanese declassified documents demonstrating that Chinese military and civilian research vessels and submarines had entered the Japanese

EEZ over a dozen times in 2004 and 2005. The purpose of these maritime incursions included mapping for oil and gas exploration in disputed areas, showing force to pressure Japan in the ongoing dispute, and conducting research on submarine routes into and out of the Pacific.

We and the Japanese were quite concerned as well when a Chinese Song-class diesel submarine surfaced a little too close for comfort near the USS *Kitty Hawk* during an American exercise near Japan in 2007. The submarine had apparently been shadowing the Carrier Strike Group undetected.

From the Japanese perspective, then, the Senkaku/East China Sea dispute is about much more than energy interests and international law. It is a manifestation of growing Chinese strength and assertiveness. Japan has a long history of fearing economic strangulation and isolation. Growing Chinese maritime power and shows of force are only heightening these fears.

Finally, the dispute over EEZ claims and the Senkaku/Diaoyu Islands sheds some light on Japanese concerns over Taiwan. For Japanese strategists, Chinese control over Taiwan would put China's naval bases even closer to Okinawa and the Ryuku island chain, and extend the Chinese EEZ even further out toward the Pacific. The Japanese sense of insecurity—already high given the instability on the Korean peninsula—would only heighten.

While the two sides came to some agreement in 2008 to jointly explore for energy resources and shelve territorial disputes for the time being. But given the dynamics I just explained, both sides are keeping their powder dry.

### **The South China Sea**

The South China Sea disputes, including those over the Spratleys and Paracels, must be similarly analyzed in a geopolitical context. The dispute impinges upon the security interests of three great Asian powers – Japan, India, and China – as well as some of our less powerful allies and partners such as Vietnam and the Philippines.

In essence, China claims sovereignty over all of the South China Sea. Vietnam, the Philippines, Brunei, and Taiwan dispute such claims, particularly those of sovereignty and rights of exploration over the islets around the Spratleys and the Paracels. As in the East China Sea, all claimants to territory within the South China Sea believe that it also holds significant oil and gas reserves. China has sparred with Vietnam and with the Philippines over islands in the Spratlys and with Vietnam over the Paracels. While China signed the Declaration on the Conduct of Parties in the South China Sea in 2002, regional actors do not trust that China will abide by its commitments. Arguably, growing Chinese power and assertiveness in this area were major drivers behind Vietnam's desire to build closer security ties with us, and the Philippines' desire to sign a Visiting Forces Agreement with us in 1999.

The South China Sea is also a pathway to the all-important Strait of Malacca, considered to be one of the world's most important maritime choke points and waterways for seaborne trade. Some 50,000 ships carrying a quarter of the world seaborne trade, and half of the world's seaborne oil pass through Malacca annually. Since 90 percent of China's and most of Japan's oil comes by sea, it is natural that both countries have abiding interests in their own definition of security in the Strait and the South China Sea.

Last year anxiety heightened in South East Asia, Tokyo, and Delhi when the press reported on a new naval base that the Chinese have constructed at Hainan island; the base can accommodate attack and ballistic missile submarines as well as a variety of surface combatants. The People's Liberation Army Navy (PLAN) can use the base to deploy stealthily into the South China Sea and access international waterways.

South East Asians are concerned about the potential for China to put military pressure on them to settle their territorial disputes. Tokyo is concerned about the Chinese potential to dominate the waterways and coerce and isolate Japan.

The Indians are concerned for two reasons. First, the discovery of the Hainan island base adds to a growing Indian perception that the Chinese are finding ways to enter the Indian Ocean and constructing a string of maritime bases and facilities along the Indian Ocean – in Burma, Sri Lanka, and Pakistan – that it will use to project power closer to what India defines as its own sphere of influence.

Second, India has been playing a larger economic role in South East Asia in particular and wants unimpeded maritime access to the region. It is concerned that what we are seeing develop for the region is the Chinese-equivalent of a Monroe Doctrine.

### **Regional Reactions**

For now, all the concerned parties are attempting to balance against China's growing power. Both Hanoi and Manila have sought closer ties with us. Tokyo, a great power constrained in military matters only by its pacifist constitution, has also energetically sought and received an upgraded bilateral alliance. The breakthrough with India was in no small part driven by shared Indian-American perceptions of the maritime security environment.

In short, we share with our regional partners a desire that China not become the hegemonic power. The question that many in the region are beginning to have is whether we have the long term will and power to match China's rise.

And that leads me to my concluding remarks.

## **Conclusions and Recommendations:**

We have not had a clear policy on competing claims within the South and East China Seas, nor have we taken a clear position with respect to the disposition of disputed islands. What we have said is that we will protect freedom of navigation and rights in EEZs consistent with international norms.

Sticking to general principles regarding peaceful resolution of territorial disputes and freedom of navigation may be prudent given the historical sensitivities involved and our desire to have a cooperative relationship with China.

But at the same time we must be aware of China's apparent desire to dominate the South and East China Seas, extend its maritime periphery and freedom of action, and impede our access to these seas.

We must also ensure that our friends and allies have the strength and backing to stand up against potential coercion, and that we ourselves can make good on our diplomatic commitments.

We neither want to see a costly arms race in Asia nor an Asia dominated by China to our exclusion. To accomplish these objectives we should intensify our alliance diplomacy to reassure our allies that they will not be coerced. We should demarcate clear red lines to China regarding core principles of maritime behavior.

But there is no getting around the fact that we must properly resource our military.

There is an almost perfect symmetry between China's naval build-up and our own drawdown. China has deployed dozens of new submarines just as we let our Anti-Submarine Warfare capabilities atrophy. As China deployed dozens of new subs we reduced our submarine force by about 25 boats.

The Chinese have not only noticed the imbalance, they are counting on a continued decline in our naval power. China's Rear Admiral Yang Yi gloated that "China already exceeds the United States in [submarine production] five times over ... 18 [U.S. submarines—the amount resident in the Pacific] against 75 or more Chinese submarines is obviously not encouraging [from a U.S. perspective]." The Chinese admiral is spot on. U.S. boats are superior, though the quality gap is closing. And the gap in quantity makes keeping track of the Chinese fleet even more difficult.

I have been asked to say a few words about the role of U.S. sea power in maintaining the balance of power. I do so humbly, both because I am speaking to a former Secretary of the Navy and because I am aware that entering into force posture debates is a perilous endeavor.

My institute convened a group of security and military experts to take a close and comprehensive look at our global force requirements ahead of the administration's QDR.

We examined Pacific requirements, and let me share some of our findings.

First let me stress that our defense strategy in the Pacific should not be solely focused on possible war-fighting contingencies. Given that China has already changed the regional balance of power, “rebalancing” should become a day-to-day task of our forces. One way to conceptualize our Pacific force requirements is to think about a more robust presence and engagement force, and a surge force in case of conflict. I will speak mostly about the former:

Our fleet size has not been this small since early in the 20<sup>th</sup> century. While we have better capabilities and seamen, given the vast expanse of the Pacific, fleet size matters. Our Pacific forces have many tasks besides maintaining the balance of power – they build partnership capacity, respond to natural disasters, and conduct anti-piracy missions, for example.

But let me focus on the China mission. A very rough estimate of naval requirements in the Pacific would include an increased presence of fast attack submarines (SSNs) to maintain a near constant presence in the East and South China Seas as well as the Sea of Japan. More submarines are needed to protect our Carrier Strike Groups, monitor Chinese submarines on patrol, and conduct ISR operations. Additional capability requirements include P8s and undersea sensors.

Our missile and fleet defenses are inadequate to the growing Chinese innovations in ballistic missile production and over-the-horizon targeting. Unfortunately, we have come to a point where, if we want to keep our forward deployed carriers relevant, we need to focus more on protecting them.

Useful capabilities to protect maritime assets include satellite-launched detection systems linked to tracking radar; a near constant presence of forward deployed ships capable of ballistic missile defense; and intelligence capabilities to provide to at-risk ships real-time indication and warning of anti-carrier missile launches.

While we need a layered missile defense system, directed energy remains the most promising means of defeating these threats, particularly the ASBM. More forward deployed Littoral Combat Ships can potentially play an important role in maintaining a robust ASW capability and Anti-Surface Warfare capability in the littorals.

All of these capabilities will help us surge if we need to. If our forces need to send more carriers to the region, measures to enhance their survivability will render them more effective. More robust ASW capability will provide us better freedom of action to execute operations. I would say that we should equally emphasize the survivability of our fixed land bases. We should create more logistical hubs in more friendly countries to enable our air forces to surge into the region. And, we must ensure that we have adequate stealthy aircraft and tankers for missions that are sure to be some of the most complex and stressing that we have ever faced.

You were quite correct, Senator Webb, when you noted that we are in an odd position: our defense budget has been announced before the Obama Administration has undergone its own QDR. I would urge the Congress to make sure the Administration's defense review is not simply a budget cutting exercise.

Finally, I am confident that diplomacy can succeed and Asia can enjoy more peace and prosperity as long as everyone knows that we can back up our commitments. What is required is good old fashioned American statecraft – speaking softly but carrying a big stick.