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The U.S.-Japan Alliance to 2030
Power and Principle

Report of the Commission on the Future of the Alliance

I. Introduction

In 2013, the Sasakawa Peace Foundation and the Center for Strategic and International Studies established a bilateral commission of distinguished policymakers and scholars to develop a shared vision for Asia and the U.S.-Japan Alliance through 2030, and to propose recommendations for how the United States and Japan could achieve that vision across a wide range of possible future developments in Asia. Co-chaired by Richard Armitage, John Hamre, and Ryozo Kato, the Commission chartered research and analysis on issues important to the future of both Asia and the Alliance (papers are available at www.csis.org, www.spf.org, and www.spfusa.org). The Commission met six times over three years to discuss these papers as well as the emerging security environment and the challenges and opportunities for the Alliance going forward. This report summarizes the Commission's insights and recommendations. The Commissioners agreed to review this report after one year if appropriate in order to reevaluate policy proposals as developments warrant.

The U.S.-Japan Alliance has helped to provide security and prosperity to the Asia-Pacific region and the broader international community for more than half a century. The Alliance enabled the United States and Japan to prevail in the Cold War, based on the principles of deterrence, democratic values, and free market dynamism. Today, the U.S.-Japan Alliance is as strong as it has been at any time during its existence.

The Commission believes the Alliance will need all of its current strength and more, since the international security environment over the next 15 years will be as challenging and uncertain as any the United States and Japan have faced. In addition to challenges from a rising China and aggrieved Russia, the United States and Japan both have vital interests in the Middle East, which is an increasingly unstable and violent region. Global challenges such as terrorism, nuclear proliferation, and climate change will also require wise policy and firm action.

One central characteristic of this emerging strategic dynamic will be intensified competition for power and influence across ideological, economic, and security spheres between liberal democracies on the one hand and ambitious or aggrieved authoritarian regimes on the other. The Commission believes that this competition need not—and in fact is unlikely to—result in war. Moreover, there are many areas in which countries from across the ideological spectrum can and will increase mutual cooperation, including macroeconomic coordination, countering violent Islamic extremism, responding to climate change, and reversing nuclear proliferation by states such as North Korea. Nevertheless, there remain fundamental questions about international norms where leading democracies like the United States and Japan will hold starkly different views from more authoritarian states. These include: the rights of citizens to choose their own governments; the rights of minorities within nations; the independent role of the judiciary and the press; the role of the private sector in the economy; freedom of navigation and flight in international sea and air space; and freedom

of the Internet.

In Asia, the United States and Japan will have to shape the strategic environment by encouraging responsible Chinese behavior and imposing costs for destabilizing activities. To that end, the United States and Japan will have to build up their own power, and use it wisely and firmly, to preserve a world order that favors both allies' shared values.

In Asia, a successful strategy should shape the environment by encouraging responsible Chinese behavior and imposing costs for destabilizing activities.

The United States and Japan have taken a number of very important actions in the recent past to strengthen the Alliance. These include Japan's issuance of its first national security strategy, establishment of a National Security Council (NSC) and an associated permanent staff organization, increases in the defense budget, and passage of security legislation authorizing closer cooperation with the United States. The United States has stated an intention to rebalance U.S. strategic attention and military forces towards the Asia-Pacific region. Both countries have concluded updated bilateral Defense Guidelines for closer security cooperation and have reached an agreement for wider and deeper economic cooperation through the Trans-Pacific Partnership (TPP). These achievements provide a solid foundation for the continued actions that the Commission recommends in this report.

The United States and Japan have unmatched strengths for the competitive environment they will face. Together the two allies account for 28 percent of the world's gross domestic product (GDP) and 43 percent of the world's wealth. The economies of both countries use and produce the highest levels of technology, and have the research and development systems to stay at the cutting edge of discovery and innovation. Their citizenries are well educated, hardworking, and innovative. Their armed forces are among the world's most advanced and are well led and trained. Their values of freedom and democracy have a universal appeal that has been repeatedly demonstrated in all parts of the world and particularly in Asia. The U.S.-Japan Alliance has endured for 60 years and adapted to meet an array of new internal and external challenges.

The Commission believes that the United States and Japan must develop a shared vision of the world both nations seek in the next 15 years. Democracies need a vision to inspire their own citizens and to synchronize the efforts of their governments and private organizations. As partners in an increasingly interconnected and competitive world, the United States and Japan must also offer a vision that will gain the support of other countries.

The Commission proposes the following vision for the U.S.-Japan Alliance:

The United States and Japan seek a world in 2030 in which all nations are secure, peaceful, prosperous, and free. Working to build this world, the United States and Japan will make national contributions that reflect each nation's respective capabilities, legal obligations, and traditions, but will always remain united on shared goals. The United States and Japan are global powers with global responsibilities, but their Alliance will continue to focus as it always has on the peace and prosperity of the Asia-Pacific region.

<u>Peace and Security</u>: The United States and Japan will work together to:

- *preserve peace and stability in the Asia-Pacific region based on the Mutual Security Treaty through bilateral efforts to maintain a favorable balance of power and to deter and, if necessary, to defeat armed aggression and attempts at coercion against their own interests, and those of their allies and friends;*
- *defend and preserve the existing order based on established international rules and norms;*
- *seek peaceful, negotiated resolution of issues between nations, free from military force or coercion;*
- *support multilateral organizations in developing solutions to global challenges; and*
- *lead and participate in international actions against state and non-state actors that use terrorist tactics and criminal actions or otherwise threaten the safety of their citizens and those of their allies and friends.*

Prosperity: The United States and Japan will work together to:

- *support the unimpeded international flow of investment, goods, and services to raise the prosperity of all nations, especially those at lower levels of development;*
- *provide assistance both through international organizations and directly to developing nations to improve all the aspects of economic development and governance, private sector competence, and human capacity, including women's empowerment;*
- *strengthen existing institutions such as the World Bank and International Monetary Fund that provide development assistance and seek to promote principles of good governance; and*
- *play leading roles in reducing environmental threats to the health, and potentially the safety, of their own citizens and others around the world.*

Freedom: The United States and Japan will work together to:

- *support advancement of the principles expressed in the United Nations (UN) Universal Declaration of Human Rights;*
- *ensure the observance of these principles in their own countries;*
- *speak out and take clear public stands in the support of those principles; and*
- *work over the long term, and when opportunities arise in the short term, to advance those principles in authoritarian countries as well as failing states.*

In this report, the Commission recommends a set of coordinated policies that will move the Alliance closer to achieving its shared vision of a peaceful, secure, prosperous, and free world. As major economic powers and democracies, Japan and the United States should continuously stress two foundational pillars of the Alliance.

First, leaders and opinion makers in the United States and Japan need to strengthen and sustain public support in both countries for active international leadership, using the full range of foreign policy tools, including military capabilities when necessary. In the United States, the wars in Iraq and Afghanistan have caused debates in both the Republican and

Democratic parties about the utility of force, particularly with respect to the Middle East. In Japan, although security legislation was enacted in 2015 to allow the exercise of the right to collective self-defense, there is persistent and substantial opposition to a more active security role for the military, and misgivings about the use of military force—even for purely defensive purposes. The Commission recognizes that military power cannot be the sole or even the primary instrument of national security policy. However, the potential employment of military force is often necessary to support diplomacy, deter aggression, and keep the peace; and the utilization of the armed forces, whether in the form of advisers, peacekeepers, or combat units, will remain essential to deal with some threats to peace and security in the future. The United States and Japan must have fully-funded, modern, and highly capable military forces, and they must be willing to employ them in support of the peaceful, secure, prosperous, and free world that they seek. Leaders in both countries have a responsibility to explain these realities to their publics.

Second, in order to provide the foundation for the policies outlined in this report, both countries need to take action to support their economies, to resume economic growth in the case of Japan, and to sustain recovery from the recession of 2008 in the case of the United States. Without higher rates of economic growth, the United States and Japan will face significantly greater difficulties managing the international challenges that are likely to emerge over the coming 15 years. Both countries have the fiscal and monetary policy tools necessary to stimulate growth, but both must also undertake structural changes that require continued political attention. In the case of Japan these include: growing the workforce in the face of a falling national birth rate; increasing productivity through more widespread adoption of information technology; and reversing the growth of the highest debt levels of any advanced country. In the case of the United States these include: modernizing the country's aging physical and cyber infrastructure; containing the costs of medical care and social security payments for the large generation now retiring; and providing real energy security by coupling the increased production of domestic oil and gas with reduced dependence of the transportation sector on oil. Both countries must also improve their educational systems to create the digital workforce of the future.

II. The Strategic Environment through 2030

For the first time in nearly a quarter century, the world is witnessing multiple momentous challenges to the international order. China's emergence, Russia's resurgence, and the Islamic State of Iraq and the Levant's (ISIL's) barbarity are forcing the United States and Japan to address simultaneous, diverse threats to the international order. Within Asia, increasing prosperity and economic interdependence coincide with intensifying friction among the major powers. Changes in relative power, rapid expansion in the military budgets of some states, territorial disputes, historical animosities, irregular threats, and nuclear proliferation all present serious risks to regional security. Managing these challenges will require an understanding of how long-term trends, such as demographics, technology, and climate change, are likely to affect the strategic environment. Asia is the world's most dynamic region, so understanding current trends and potential future discontinuities is essential if the United States and Japan are to adopt an overall strategy that is capable of adapting effectively to rapid shifts in the security environment.

While regional trends in the Asia-Pacific region favor continued growth and economic integration, there are pockets of uncertainty that could threaten both economic progress and political stability. These include: obstacles to China's economic transition from

its past export-led growth model to a domestically driven model; the shrinking working age population in Japan, South Korea, China, Taiwan, and Singapore; and the over-reliance of countries such as Taiwan, South Korea, Malaysia, Thailand, and Australia on Chinese momentum to drive their own growth.

Economic growth and integration in Asia have been driven by intra-regional trade as well as global investment flows and production networks, underpinned by the international financial institutions established at Bretton Woods and sustained since then with the active support of Japan and the United States. However, as the international economy has diversified, the original managers of global financial governance, such as the G-7, have lost ground to more inclusive but less effective groupings, such as the G-20. Moreover, progress on global trade liberalization at the World Trade Organization (WTO) has stalled. China is challenging the existing international financial institutions with the Asian Infrastructure Investment Bank (AIIB) and its new "One Belt, One Road" initiatives. At the same time, the Trans-Pacific Partnership (TPP), led by the United States and Japan, has the potential to reboot international trade liberalization and governance. Passage of TPP in Japan, the United States, and the ten other participating countries would boost economic growth in Asia by reducing barriers, establishing standards for ensuring protection of intellectual property in new areas such as e-commerce, empowering China's economic reformers as Beijing is drawn by preferential tariffs to join TPP, animating negotiations on the Transatlantic Trade and Investment Partnership (TTIP), and perhaps eventually helping to revitalize the pursuit of global free trade agreements through the WTO. Governance of global trade and finance is in flux, but the forces of liberalization and integration are still present.

Understanding current trends and potential future discontinuities in Asia is critical to developing an effective Alliance strategy.

Beyond these economic concerns the dangers of climate change and ecological degradation threaten the region. The ability of the major Asia-Pacific economies to cooperate in the face of all these transnational challenges will have important implications for the future strategic environment. While China and the United States are the world's leading emitters of greenhouse gases (in that order), Japan is the world's superpower in clean technology and energy efficiency. There are encouraging signs of U.S. and Chinese initiatives to curb greenhouse gas emissions as well as the recent agreement at the 2015 Paris Climate Conference, but these promises remain aspirational and unenforceable, requiring further efforts at bilateral, regional, and global cooperation to reduce carbon emissions.

China

The Commission believes that China's trajectory is one of the most uncertain variables in shaping the security environment of the Asia-Pacific region out to 2030. Given the variety and complexity of the factors involved, it is impossible to predict a single outcome for China. To the contrary, the range of plausible alternative futures for that country is exceptionally broad. That said, the most influential drivers of China's development will likely be internal—demographic trends; the pace, form, and success of efforts at economic reform; the attitudes and actions of various actors in the Party, the state, and society; and the successes, failures, and unintended effects of government policies. Regardless of China's economic trajectory, its investment in military capabilities is likely to continue, the scope of

its interests will expand, and its assertive behavior and expansive claims to territory are unlikely to abate and could intensify.

The Commission's baseline projection over the next 15 years is that China will continue to grow more powerful and somewhat more aggressive than in the past. This projection includes the following elements: the Chinese Communist Party (CCP) will maintain its grip on power with a mixture of concessions to and repression of newly empowered sectors within the country. The Party will also continue to make use of appeals to a militant form of popular nationalism that emphasizes its own central role in righting the wrongs done to China during the so-called "century of humiliation." Efforts to shift the nation's growth model towards greater reliance on domestic consumption and enhanced productivity will encounter significant obstacles. Growth will continue, albeit less steadily and at a significantly lower rate than in recent decades. China is unlikely to overtake the United States as the largest economy in the world by 2030. While China could increase the share of GDP allocated to defense, Beijing may also choose to follow its historic pattern of proportionate allocations to defense, which would mean reductions from the annual double-digit increases in defense spending of the past two decades. As reforms announced in November 2015 indicate, China's leadership intends to continue the transformation of the People's Liberation Army (PLA) into a technologically and organizationally advanced warfighting military. Given increasing unit costs of sophisticated systems, the PLA will thus grow in capability even if the growth in numbers of platforms and weapons systems slows before 2030. In aggregate, PLA capabilities will not exceed those that the United States, Japan, and other allied countries can bring to bear in East Asia through 2030. However, the PLA's growing anti-access and area denial capabilities will pose an increasing threat to U.S. and Japanese bases and to their forces operating inside the First and Second Island Chains. China's military advantages over other neighboring countries, such as Vietnam and the Philippines, will also continue to grow.

China will continue to press its claims to Taiwan, in the East and South China Seas, and over disputed territory with India, and it will use both paramilitary and coercive military tactics to do so. There will also be further attempts by Beijing to weaken U.S. alliances and construct an Asia-Pacific economic and security order that marginalizes the United States, as suggested by Xi Jinping in Shanghai in the spring of 2014. China will continue to use external tensions to mobilize domestic political support and it will try to use its growing military and paramilitary capabilities for coercive purposes, but it is unlikely to take deliberate actions intended to trigger an armed conflict with its neighbors or the United States. China will assume a more cooperative role in dealing with at least some global problems, and it will continue to develop Chinese-led alternatives to existing economic, diplomatic, and military organizations, particularly within Asia. Xi Jinping's signature "One Belt, One Road" initiative will result in increased investments in infrastructure, agriculture, and natural resource extraction throughout Central, South, and Southeast Asia. These activities could lead to expanded diplomatic influence, but they may also result in growing friction between China and some of its neighbors, including Russia, and could increase Chinese exposure to the forces of radical Islamic extremism. As with other rising powers throughout history, China will attempt to revise the regional order of which it is a part, but rather than pose a direct challenge it will likely attempt to continue to benefit from free-riding on the existing U.S.- and Western-led order.

This baseline projection to 2030 does not mean that the Commission rules out more significant discontinuities, ranging from higher growth trajectories based on economic restructuring, to political instability, liberalization, or even economic or political collapse. However, it provides the most useful scenario to plan against as it highlights both the downside risks of China's increasingly revisionist behavior in Asia and the upside possibilities for expanded cooperation with China on global challenges and to some extent within Asia.

With the uncertainties in China's future, the United States and Japan must develop a sufficiently resilient strategy to handle a wide range of potential developments.

Korean Peninsula

North Korea will continue to be a critical security concern as the situation on the Korean Peninsula remains unstable and uncertain. North Korea represents a dangerous threat to both Japan and the United States, particularly now that it appears to have developed nuclear weapons and the means to deliver them. Further improvements in warhead and missile design (including the development of miniaturized thermonuclear devices capable of delivery by intercontinental ballistic missiles) will enhance Pyongyang's ability to threaten an increasingly wide range of countries, including the United States. It is highly probable that North Korea will continue a pattern of intermittent provocative military actions to justify its grip on power internally, and it is extremely unlikely that the regime will give up its nuclear weapons as it regards them as a guarantee against attack by the United States and South Korea. Despite disapproval of North Korea's adventurism and its growing nuclear arsenal, China is unlikely to alter its current policy of providing Pyongyang economic assistance and a measure of diplomatic support. Beijing still prefers the status quo on the peninsula, and only more extreme North Korean provocations might change that calculation. As in the past, the North Korean regime may experiment with some limited market elements in its economy, but there is no doubt that the regime will retain tight political control over the population through brutal and effective security measures.

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Changes to this dismal projection could come from unexpected events. A faction within the power elite in North Korea upset with Kim's leadership and the impoverishment of the country could stage a coup. China might use its leverage more actively to push North Korea towards a larger private sector, potentially providing incentives for more moderate behavior by the regime. Finally, although he is in his mid-30s, Kim Jong-Un could die or be killed, setting off a succession struggle with unpredictable consequences. Sudden regime instability or collapse could lead to dangerously chaotic situations inside North Korea that would require close U.S.-Japan-Republic of Korea (ROK) cooperation as well as dialogue with China and Russia to avoid potentially dangerous repercussions. In the meantime, Washington, Tokyo, and Seoul should appreciate and address the mutual dependence of the U.S.-ROK and U.S.-Japan alliances. Japan relies on Korea to protect its western flank while the ROK depends on Japan for indispensable rear area support on the peninsula. Trilateral security cooperation among those three democratic countries is increasingly important and political leadership will be required to overcome the political obstacles that continue to stand between Japan and South Korea.

Southeast Asia

Association of Southeast Asian Nations (ASEAN) leaders seek a regional balance that allows them to sustain reasonable security, protect their sovereignty, and grow their economies. Member countries have developed an innate geopolitical survival instinct: namely, to avoid being overly influenced by any single outside power. That basic trait is found not only in ASEAN as a regional institution, but individually among its member nations, and will continue to guide ASEAN policies and behavior for the next 15 years. Most of the ASEAN member states are located in strategically important maritime areas from the Bashi Channel through the South China Sea and from the Malacca Strait to the Indian Ocean. Maritime law enforcement and naval capabilities of those nations are far from adequate to assume responsibilities to secure these vast maritime zones and should be built up in the coming years.

ASEAN also seeks regional peace and stability so its members can continue to pursue economic growth in ways that sustain domestic political stability, including through equitable growth, investment, capacity building, training and education, and development of infrastructure. However, perceived bullying by China in the South China Sea, and concerns among some ASEAN nations that China's behavior represents the beginning of a trend that could threaten their autonomy and endanger peace and stability if left unchecked, has driven many Southeast Asian states to welcome greater U.S. and Japanese security involvement in the region. At the same time, China's increasing influence over some ASEAN countries has created divisions that could weaken the organization's capacity for collective action.

Most ASEAN members have concluded that they need to act individually to professionalize and modernize their militaries and redirect their security establishments to focus more on external threats, while at the same time investing in more effective cooperation to enhance interoperability and strengthen collective security. Such action will also promote preparedness in coping with natural disasters. The United States and Japan should continue to help build the capacity of Southeast Asian nations to defend their airspace and territorial waters from hostile intrusion. ASEAN members are dealing with domestic politics that have an impact on how quickly each can move toward advancing regional goals. Generally, the region is moving toward more open, participatory models of governance and strengthened domestic institutions. While high-profile moves in the opposite direction, such as the May 2014 coup in Thailand, attract headlines, a closer look suggests ASEAN's incumbent governments are moving quickly, even with a sense of urgency defined by concerns for political survival, to adapt to increasing demands from more engaged and discerning constituencies. The United States and Japan have a high stake in the outcome of this process, based on both geopolitical interests and democratic values.

Russia and the Arctic

Russia, once the *raison d'être* for the U.S.-Japan Alliance, has assumed a second-tier role in the geopolitics of East Asia. Russia's Far Eastern conventional and nuclear forces are a shadow of what they once were and Russia's diplomatic profile in Asia is also limited, even in areas where Russia has traditionally played a key role, such as the Six-Party Talks. Nevertheless, Russia is more capable and active in Asia than it has been at any time since the dissolution of the Soviet Union. While Russia appears to be working with China to counter the U.S.-led alliance system, Moscow is also quietly bolstering its regional military forces, as well as putting more investment into its Far Eastern federal regions in hopes of enhancing its geopolitical position and preserving its autonomy with respect to China. Russia's activities in

Ukraine have resulted in an international sanctions regime and damage to Russian relations with all democracies—particularly the United States, but also Japan.

In the immediate future Japanese and U.S. interests regarding Russia will not perfectly coincide. Japan's need for energy diversity will lead it to consider increasing imports of Russian natural gas, and many in Japan will continue to seek a resolution of the Northern Territories issue with Russia. That said, beyond the current crisis with Putin over Ukraine and through the longer term, the United States and Japan share a geopolitical interest in cooperating with Russia in ways that inhibit the possible emergence of a Sino-Russian bloc.

Although President Putin's military buildup and aggressive actions currently enjoy wide popularity within Russia, it is unlikely that he and his successors will be able to sustain them through 2030. Russia faces daunting economic and demographic problems, and its aggressive actions in Eastern Europe, the Middle East, and the Pacific have awakened dormant fears of its intentions worldwide. Putin seems unique among recent Russian leaders in his willingness to take unpredictable risks in foreign policy. His primary external focus is competition with the United States and the North Atlantic Treaty Organization (NATO), which fuels his opportunistic alignment with China in the near-term. Sixty-three years old, he is likely to remain in power for another decade, but he is not yet grooming a younger successor in his mold.

Developments in the Arctic will impact the Alliance in new and profound ways. The Arctic is warming at a rate almost double that of the rest of the world, and the resulting loss of sea ice poses security challenges as well as potential commercial opportunities. The melting sea ice and partially navigable northern passages could create new shipping routes between Europe, North America, and Asia. Such navigational changes in ocean transport could raise sovereignty concerns in several littoral states and drive legal disputes regarding which ocean areas constitute international waters and what rights to passage associate with such waters according to the UN Convention on the Law of the Sea (UNCLOS). Moreover, the combination of melting ice and rapid developments in transportation and exploitation technologies may open the possibility for large reserves of oil, gas, and minerals to be exploited. Arctic littoral states could move quickly and competitively to mine natural resources on their continental shelves and sea floors within their 200 nautical mile Exclusive Economic Zones (EEZs). Recent years have seen a rapidly growing military presence on the part of some Arctic littoral states, most notably Russia, in the high Arctic areas, including the movement of troops and hardware. With Japan joining four other Asian states, including China, as observers to the Arctic Council, there is an increasing focus among Asian states on engaging the existing core Arctic states on a range of regional issues.

Networking alliance relationships with other countries that share support for international rules, norms and values is attractive because the challenges in Asia are too big for bilateral alliances to manage alone.

Australia, India, and Europe

Japan and the United States work closely with a number of important allies and partners outside Northeast Asia. Tokyo and Washington have together been transforming the Alliance into a hub for regional and global cooperation by networking these relationships. Networking alliance relationships has been attractive because the challenges that the United States and Japan face are not isolated to Northeast Asia and are too big for bilateral alliances to manage

alone. Foremost among these relationships are ties to other major democratic countries that share support for international rules, norms, and values. Efforts to increase security cooperation with Australia, India, and key European states have been central to Alliance strategy in recent years.

Australia is already an extremely close ally of the United States and is now expanding security cooperation with Japan in a variety of areas, including possible submarine development, based on the historic Japan-Australia Security Agreement concluded in 2007. While its security interests and core values are fundamentally aligned with the United States and Japan, Australia has relatively higher dependence on the Chinese market for exports of natural resources. That could change, however, as exports of Australian liquefied natural gas (LNG) to Japan outpace commodity exports to a slowing Chinese economy. Overall, the trend will be towards closer U.S.-Japan-Australia strategic alignment and security cooperation over the next 15 years.

India's economic growth is impressive, and could substantially improve with better governance and economic reform. India shares a democratic political system with the United States and Japan, but its international ambitions and diplomatic capacities are likely to remain limited for the foreseeable future. Both Japan and the United States are increasing security and economic cooperation with India, complemented by enhanced trilateral strategic dialogue and joint military exercises, such as the annual Malabar exercise hosted by India. India's non-aligned tradition will likely prevent mutual security commitments, but opportunities for security cooperation have expanded and are likely to continue to do so over the coming years.

Europe has an important role to play in Asia's security landscape and should ideally be coordinating more with the United States and Japan in forging a common approach to "grey zone" challenges, whether they are in Eastern Europe or the East China Sea. However, many European capitals view Asia through the lens of economic cooperation with China and show little inclination to oppose Beijing's territorial ambitions, aggressive mercantile behavior, or repression of dissent. China, meanwhile, finds it increasingly easy to divide Europe and put pressure on individual member states. The United Kingdom's surprise announcement that it would join the AIIB in 2015 provides an example of how important it is for the United States and Japan to convince European allies that they too have a stake in the security order in Asia. At the same time, Japan's new security cooperation agreements with the United Kingdom and France point to the potential for greater alignment between the Atlantic and Pacific allies on challenges facing the Asia-Pacific region.

Terrorism

The threat from violent extremist Islamic organizations shows no sign of diminishing over the next 15 years. Originating in the Middle East, some of these organizations have spread through North Africa, South Asia, and into Southeast Asia. These organizations draw sympathizers, often inspired by global social media, from among minority populations in developed countries in Europe, North America, and Asia. These organizations change names, and new leaders emerge. They have grandiose ambitions to establish new Muslim states, such as the Islamic State in Iraq and the Levant; they control territory, as does Boko Haram in Nigeria; and they plan and inspire terrorist attacks in countries with both Islamic and secular governments around the world. Although the actual number of victims of terrorist attacks is relatively small, the random nature of these attacks and the intense media coverage substantially impact policies in developed countries. Most governments in the world oppose

these groups, but have varying degrees of capacity to confront them, and cooperation is hampered by suspicion and policy differences in other areas. Reducing this threat will depend on a combination of military and law enforcement measures against the radical elements, improvement of governance and economic progress in countries in which social conditions give rise to support for these radical organizations, and developments within Islamic communities that further discredit terrorism as a legitimate action.

Cyber

The cyber domain will become increasingly important through 2030 as the Internet continues to grow and take on more important functions. The "Internet of things" and Internet Protocol Version 6 will dramatically increase the size of the Internet. Nationally sponsored cyber attacks on public and private companies in other countries have occurred, and it will be a major challenge to agree on limiting these attacks short of war. Cyber espionage is also growing rapidly, and there are differences among major countries in their choice of targets and techniques. It is a short step from cyber espionage to cyber attacks, and the lack of international understanding and agreement is potentially dangerous. The North Korean and Russian regimes both appear to have used the Internet to strike at targets in foreign countries, including the United States. The United States, Japan, and other advanced industrial countries have lost hundreds of billions of dollars in intellectual property to commercial cyber espionage, in many cases aided and abetted by authoritarian regimes. Cybercrime is another widespread and complex issue that should bring the major nations together in a common cause, at least for activities that they all consider to be criminal. A final unresolved international cyber issue is the degree of control over the Internet. China, Russia, and other authoritarian countries insist that their sovereignty extends beyond network facilities on their territory, while the United States and Japan favor an open Internet driven by private sector cooperative efforts.

Despite the growing dependence of all countries on a functioning Internet, the major powers have not agreed formally or informally on principles to outlaw, prevent, or deter major cyber war—large-scale government-sponsored attacks on the power grids, transportation systems, or other critical infrastructure of another country. The link between cyber space and outer space also merits further attention. Additionally, major states have failed to establish and uphold rules and norms for economic espionage in cyber space. In both the United States and Japan, government organizations and responsibilities for protecting government networks are relatively recent and in the developmental stage. A legal and effective relationship between government and the private sector—inventor and operator of most of the important networks—has not yet been firmly established in either country. Moreover, both countries face a significant shortage of skilled cybersecurity professionals.

The Commission calls special attention to the vulnerabilities that might be introduced into Japan's electric grid and power generation system as it plans for fundamental restructuring of the ownership and operating structures of this critical network. Electric power generation and distribution networks are truly fundamental critical infrastructure. Every other infrastructure system (for example, rail transportation, fuel pumps for gasoline refueling stations, signal systems for road and rail networks, etc.) ultimately depends on reliable electric power supplies. The critical nodes of a nation's electrical system (transformers, switching stations, generation plants, etc.) are controlled by computers. Cyber disruption of those computers could damage or destroy essential components of a national power network.

Space

The space domain will also be increasingly important to Japan and the United States through 2030, for both economic prosperity and national security. In 2014, China and Russia between them conducted almost twice as many space launches as the United States and Japan combined. As space has become more crowded, it has also become more contested. China's anti-satellite test in 2007 made clear the risks that kinetic weapons pose to civilian and military satellites. That test produced more than 2,600 pieces of large debris (greater than 10 centimeters) and at least 150,000 pieces of small debris (greater than 1 centimeter), the vast majority of which are in orbits projected to last a decade or longer. Other threats to satellites, such as jamming, high-powered microwaves, and laser blinding, can threaten satellites in a wider range of orbits. The threat to satellites in orbit is growing. The 1967 Outer Space Treaty prohibits nuclear weapons in space and contains a general exhortation against other hostile space activities, but has had little effect on the development of anti-satellite weapons. By 2030, China will become as dependent on satellites for both military and commercial purposes as the United States, Japan, and other advanced countries. Therefore, it may be possible to reach understandings, if not treaties, concerning the regulation of hostile activities in space.

Climate Change, the Environment, and Energy

Climate change and environmental degradation remain major concerns for both the United States and Japan. Poor and deteriorating air and water quality in China has put pressure on the government to take serious remedial action. The potential social and economic effects of climate change are substantial, particularly in heavily populated coastal areas. Climate change may also lead to the destruction of millions of acres of arable land and increase the frequency and severity of natural disasters in the Asia-Pacific and globally, requiring greater investments in humanitarian assistance and disaster relief. Through 2030 environmental issues will offer a powerful incentive for international cooperation, offsetting some of the many issues in the region that cause competition, mistrust, and even conflict. There are encouraging signs recently of U.S. and Chinese initiatives to curb greenhouse gas emissions, but they may not be sufficient to avoid major climate change impacts.

Closely related to environmental issues is the future of energy. As Asia continues to develop, demand for electricity and transportation fuels will increase. The challenge is to meet these demands without exceeding prudent levels of carbon dioxide and other greenhouse gas emissions. This will mean embracing alternatives to coal-fired power plants and gasoline-powered vehicles. The United States, as a major exporter of coal and liquefied natural gas, and both the United States and Japan, as leading exporters of power plants and automobiles and major supporters of energy research and development, can play important roles in supporting low-carbon Asian energy growth. Current policies in both countries are inadequate, and in many cases developing countries are turning to cheaper and dirtier solutions for their energy needs.

Nearly five years after the triple disasters of March 11, 2011, Japan is still seeking a path to energy security. The shutdown of Japan's 50 nuclear power plants, which prior to the Fukushima disaster comprised approximately 29 percent of Japan's electricity generation, necessitated a scramble to secure baseload energy supply in the form of increased dependence on coal and natural gas imports. A newly established Nuclear Regulatory Authority has since approved the resumption of nuclear power generation on a small scale—a

welcome development as the government develops strategies to realize a proposed energy mix for 2030 that also features natural gas, coal, oil, and renewable resources. Japan's energy security is fundamentally in the U.S. interest and the shale gas revolution in the continental United States presents a unique opportunity to promote liquefied natural gas (LNG) exports. To contain its rising energy costs, Japan needs to eliminate or reduce the very expensive Asian natural gas premium on long-term oil-linked contracts, while diversifying its energy sources. Such an initiative would involve an East Asian natural gas hub, a cooperative project with other Asian gas-importing countries, such as the Republic of Korea and China.

Beyond the important issues of supporting economic growth and prosperity, the Commission believes it is essential that Japan and the United States remain international leaders in the field of commercial nuclear power. The foundation of any nuclear weapons program is generally a domestic commercial nuclear energy industry. Understanding this, the United States and Japan have long championed international regulation and monitoring of commercial nuclear power. Japan and the United States have been the international leaders in the global campaign to prevent proliferation of nuclear weapons. The Non-Proliferation Treaty establishes the policy framework for proliferation prevention, and establishes a framework for international inspection. The United States and Japan must remain global leaders in this campaign, but their shared authority and power in this effort will greatly diminish if Japan fails to restart its domestic nuclear power enterprise, and if the United States continues to neglect its nuclear power enterprise. A strong commercial nuclear ecosystem in both Japan and the United States is an essential element of their shared commitment to global norms and to the monitoring of an expanding universe of commercial nuclear power. Russia, China, India, and South Korea are growing as suppliers of commercial nuclear power plants and enriched nuclear materials. None of these four countries have been champions of non-proliferation. It is essential that the two greatest champions—Japan and the United States—remain global leaders in the industry so that they can shape the non-proliferation security architecture.

The Allies should adopt a more coordinated China strategy to protect bilateral interests but also seek cooperation with China on common responses to shared global concerns.

III. Recommendations for the U.S.-Japan Alliance

To achieve this vision of a peaceful, secure, prosperous, and free world in 2030 in the face of a contested and uncertain future strategic environment will require action in two major areas: first, updating the current U.S.-Japan strategy to meet the more competitive international environment, especially the challenge from China; and second, increasing the credibility and effectiveness of the Alliance through measures for deepening, broadening, and sustaining the Alliance.

A Coordinated China Strategy

The primary geopolitical test for the Alliance is China's rise. The United States and Japan cannot base Alliance strategy simply on a binary path of encouraging the pursuit of common economic and diplomatic interests with Beijing while maintaining military deterrence in case China chooses a more aggressive path. This approach will be particularly ineffective in an environment in which China is seeking to alter the status quo through "grey zone" coercion that neither undermines economic cooperation nor triggers military confrontation. While the United States and Japan are limited in their ability to influence the future of China itself, much more can and should be done to reinforce those institutions and

arrangements that have underpinned the prosperous regional and global order while seeking ways to cooperate with China within that framework. The Commission believes that the Allies should adopt a more active strategy to protect bilateral interests against "grey zone" pressures in the East and South China Seas, and in the face of economic mercantilism, including intellectual property theft. At the same time, the Allies should seek cooperation with China in forging common responses to shared global concerns such as climate change, and to regional concerns such as the Middle East and East Asian crisis management mechanisms. In doing so, the Allies should encourage China to pursue equitable compromises where interests appear to diverge. A more active strategy in support of Alliance interests will better position the United States and Japan to deal with a broad range of possibilities for future Chinese development, from a more powerful and aggressive China to a weak and passive China. A coordinated strategy for China will have four important components:

- *Better-integrate U.S. and Japanese policy towards China*: The United States and Japan should develop a bilateral declaration that conveys their values-based vision for the world, as contrasted with China's authoritarian view; continue to increase Japan's military role in the Alliance that has begun with its leadership in Senkakus contingencies; apply the Alliance consultation, coordination, and action mechanisms discussed below to policy and actions towards China; engage in enhanced sharing of information, intelligence, and joint assessments of developments in China; support democracy in Taiwan while encouraging the peaceful resolution of issues affecting cross-Strait ties; support multilateral institutions and forums that help to socialize China to regional norms; coordinate important China-focused policy statements with each other prior to publication to narrow perception gaps; and strengthen mechanisms for long-term planning and policy coordination.

- *Realistic economic relations with China*: Once TPP is ratified (which is essential), the United States and Japan should develop a vision for eventual Chinese accession, and ultimately creation of a Free Trade Area of the Asia-Pacific (FTAAP); continue to pursue negotiations for a U.S.-China Bilateral Investment Treaty (BIT) and a Japan-ROK-China trilateral free trade agreement; explore ways to cooperate with China through institutions that require democratic governance for membership, including the Organization for Economic Cooperation and Development and the International Energy Agency, where there would be mutual benefit from cooperation on the security and resilience of the world energy market; engage the AIIB through the Asian Development Bank and the World Bank; take concerted action to deny those Chinese companies that conduct or benefit from intellectual property theft access to U.S. and Japanese markets; and use political, economic, and diplomatic tools to maintain an open and unrestricted Internet.

- *Stronger combined military capability*: Continue modernization of U.S. and Japanese military capabilities in the areas of anti-submarine warfare, land- and sea-based missile defense, cyber security, and space systems; improve interoperability and combined contingency planning capability and accelerate combined exercise programs based on realistic regional scenarios; continue cooperation with China on agreements to reduce the likelihood of military incidents at sea and in the air, and cooperate on common missions such as humanitarian assistance, disaster relief, search and rescue, and peacekeeping in venues such as RIMPAC and Cobra Gold; noting the strategic importance of Japan's Southwestern Islands, including the main island of

Okinawa, substantially enhance Japan's defense posture in the area; and make continuous efforts to maintain and modernize U.S. forward deployment on Okinawa.

- *More effective counters to Chinese aggression in the East and South China Seas*: maintain and strengthen the current deterrent posture in the Senkakus; in the South China Sea, attempt to facilitate a multilateral settlement of conflicting territorial sea and EEZ claims; vigorously assert unrestricted freedom of navigation and overflight rights in the South China Sea; support economic and maritime security assistance to the Philippines, Vietnam, Malaysia, Indonesia, and other coastal nations to support policies that neutralize aggressive behaviors in the region; and more vigorously seek U.S. ratification of the UN Convention on the Law of the Sea.

A More Credible and Effective Alliance

Aiming for a more credible and effective Alliance, Japan and the United States should work in three dimensions: first, in ***deepening*** the relationship so that it is more integrated and capable of making rapid decisions and executing timely actions; second, in ***broadening*** the Alliance so that it can handle a wider range of challenges that will face both countries in coming years; and third, in ***sustaining*** the Alliance by solving the few issues that hinder combined action.

Deepening the Alliance

To address increasingly complex security challenges, the United States and Japan will have to develop a more integrated Alliance capable of making rapid decisions. The Alliance Coordination Mechanism in the new Bilateral Defense Guidelines is an important step forward, but additional efforts will be required. With China's growing "grey zone" activities and North Korea's ballistic missile and nuclear weapons development, Japan is no longer in the "rear area" as it was during the Cold War. Geographic and technological changes since the Cold War put a far higher priority on seamless operations and agile decision-making. In the Commission's view, five steps are necessary:

The two governments should update command and control relationships to develop a more integrated Alliance capable of making rapid decisions and executing timely actions.

- *Increase strategic dialogue and coordination across the two governments*: Now that both countries have established National Security Councils, conduct frequent interagency coordination meetings to ensure the regular flow of information among all relevant officials; conduct combined interagency studies and strategic planning on issues of shared interest; deepen intelligence cooperation through the conduct of combined intelligence assessments; formulate important regional policies through intense bilateral coordination on the Middle East, Russia, and North Korea; and coordinate key publications such as national security strategies, Asia maritime security policies, and major reports and white papers prior to publication.

- *Establish and substantiate the Alliance Coordination Mechanism*: Following the recent ministerial agreement to establish the Alliance Coordination Mechanism, implement such a mechanism by activating its subordinate elements, including the

Alliance Coordination Group for policy coordination and the Bilateral Coordination Center for operational coordination; and ensure that key elements of the mechanism are standing for both planning for the future and execution for real-time responses to security-related events so that the mechanism as a whole becomes more substantial and effective.

- *Update command and control mechanisms*: The United States should establish a standing joint task force headquarters in Japan for First Island Chain missions and humanitarian assistance and disaster response, with embedded Japanese officers; Japan should establish a joint operational command with embedded U.S. officers; if possible, co-locate the two staffs on the same military base, and conduct energetic combined planning and exercises, both synthetic and live; and increase Japanese liaison presence at U.S. Pacific Command (PACOM) to flag rank.

- *Further strengthen interoperability between Japanese and U.S. forces*: Increase bilateral air, ground and sea training using both Japanese exercise ranges and U.S. ranges in Guam, Hawaii, and Alaska; expand multilateral exercises involving Australia, the Philippines, India, Vietnam, Malaysia, Indonesia, and Singapore; and initiate combined research and development in advanced technology fields, especially missile defense and anti-submarine warfare.

- *Promote defense industrial cooperation:* In light of Japan's new principles for the transfer of defense equipment and technology and the recent establishment of the Acquisition, Technology and Logistics Agency (ATLA) in the Ministry of Defense, deepen defense industrial ties to enhance interoperability between the Self-Defense Forces and the U.S. military, as well as with other partners.

Broadening the Alliance

The Commission recommends that the United States and Japan at least coordinate, and if possible integrate, their policies and actions elsewhere in Asia and beyond. Several specific recommendations for mechanisms were made in the "Deepening the Alliance" recommendations above. Broadening Alliance coordination can increase the effectiveness of both Allies in achieving shared objectives and support their vision of the world in 2030. The Commission makes specific recommendations in a number of important areas:

- *The Korean Peninsula*: Build on the recent agreement between Japan and the Republic of Korea on historical issues to improve political relations at the top between Japan and the ROK; conclude a bilateral Japan-ROK General Security of Military Information Agreement (GSOMIA) agreement to enhance coordination bilaterally and with the United States; as conditions permit, conduct trilateral military planning and exercises for possible military provocations or attacks by North Korea; build an integrated trilateral missile defense system to protect the ROK, Japan, and the United States from North Korean missiles; involve the ROK in trilateral initiatives to improve cybersecurity in all three countries, and to maintain an open and free Internet; support South Korean membership in the next round of TPP; look for progress on the abduction issue; and manage individual North Korean provocations trilaterally while remaining in touch with Chinese and Russian officials seeking opportunities to renew multilateral initiatives to eliminate or control North Korea's nuclear arsenal.

- *Southeast Asia*: Cooperate in supporting Myanmar's transition to democracy and its economic development; assist Thailand's return to a democratic system; intensify U.S. and Japanese ministerial level interaction with ASEAN counterparts; once TPP is ratified, move quickly to implement its provisions with ASEAN countries; provide equipment and training to Southeast Asian states to improve their maritime surveillance and enforcement capacity; along with other seafaring allies and partners such as Australia and India, conduct combined patrols along the sea lines of communications, including in the South China Sea, to reinforce the right of free navigation and overflight, and increase naval and air exercises with ASEAN nations; and assist front-line states like the Philippines and Vietnam with maritime domain awareness and dual-use infrastructure resilience, utilizing available instruments such as those developed by the Japan Bank for International Cooperation.

- *Russia and the Arctic*: Monitor, and if necessary offset, increased Russian military activity in the Pacific; maintain support for international penalties and policies against Russian adventurism; maintain Japanese dialogue with Russia as an alternative to exclusive cooperation with Beijing on Asian issues; while pursuing individual national policy objectives, such as Japanese energy security and return of the Northern Territories, closely consult so that common policies are not undercut; take realistic approaches when international cooperation including Russia is feasible, including in such cases as combating terrorism under UN auspices; and coordinate Arctic policy to ensure freedom of navigation and overflight for military and commercial ships and aircraft in the region.

The United States and Japan should at least coordinate, and if possible integrate, their policies and actions in Asia and beyond.

- *Australia and India*: Increase Japan-Australia and U.S.-Japan-Australia military cooperation—combined planning, training and exercises, and defense industrial cooperation—focusing primarily on undersea warfare, humanitarian assistance and disaster relief, and missile defense; and increase bilateral, trilateral, and quadrilateral military cooperation with India.

- *Counterterrorism*: Cooperate jointly and with the rest of the world to combat violent extremist organizations; bolster intelligence and law enforcement coordination in the short run; cooperate in efforts to improve governance and economic conditions in countries home to supporters and sympathizers of violent extremist organizations; the United States should continue to conduct direct military operations against the militant elements of these organizations; and while such operations are not permitted by Japan's constitution, Japan should support actions by other nations as legally permissible under its new security laws.

- *Cybersecurity*: Cooperate to educate and train more cybersecurity professionals, especially in Japan; work together to reach an agreement on how collective and individual self-defense in cyberspace is defined and implemented and establish international norms for cyber war and deterrence, including a code of conduct; build the legal basis necessary to deal with challenges in the cyber domain; create better bilateral mechanisms for cooperation and sharing information on cyber threats and techniques to mitigate them, especially in the preparations for the 2020 Olympic

Games in Japan; develop robust, realistic joint cyber training and exercises; expand national and combined civilian critical infrastructure protection efforts, especially as Japan overhauls its electrical power system, and work together to counter cyber espionage; and Japan should develop an organization that can gather intelligence on the cyber activities of the full range of hostile international cyber threats, from nation states to criminal and violent extremist organizations, as such intelligence is essential for active and effective defense of government, critical infrastructure, and business networks.

- *Space*: Cooperate in creating improved space situational awareness, along with other allies and partners; share knowledge on increasing the resilience of space systems, and plan for mutual support from space systems in the event of military contingencies; and better utilize outer space, since other domains such as cyber and maritime security are highly dependent on space assets.

- *Climate change, the environment, and energy*: Japan and the United States should go beyond existing declarations to work together in addressing climate change and environmental degradation; launch real-world projects in areas such as carbon capture and sequestration, low and no-carbon energy, and working jointly with developing countries to assist them in reducing air and water pollution and in mitigating and building resilience to the effects of climate change; work to implement Sino-U.S. agreements and the Paris Climate Conference; further upgrade international frameworks for the environment; and establish a strategic framework for an energy alliance between the United States and Japan, built around the development of a natural gas hub in East Asia and continued international leadership in the field of commercial nuclear power.

- *The United Nations*: Japan and the United States should continue to coordinate efforts for UN reform, including Japan's permanent membership in the Security Council; and Japan should continue to increase the size and the level of its participation in UN peacekeeping operations and consider more active participation in UN-led military operations, including those under Chapter VII of the UN Charter.

Sustaining the Alliance

Though few frictions remain in U.S.-Japan relations, in order to sustain the Alliance, those that do should be addressed swiftly and directly. Through 2030, the United States will have more military forces stationed in Japan than in any other country in the world. Japan will provide greater monetary and other forms of support for these foreign forces than any other country. The many inevitable issues that have arisen over basing have been handled by both sides with hard work, imagination, and good will. In order to maintain public support for the Alliance, it will be important to continue to solve, or even better to anticipate, basing issues and to establish basing arrangements that minimize areas of friction. In the future, U.S. military access in Japan should be carried out as a tenant on Japanese-flagged bases where Japanese forces are also stationed. Both allies will need to take significant steps to achieve this goal, but it should inform all decisions on bases going forward. The bottom line is that U.S. bases on Japanese soil provide the Alliance with formidable platforms for U.S. forces deployed in strategically critical locations. Such deployments will become more flexible and less dependent on the current U.S. base structure as military technologies advance and permit greater agility and faster transportation, as well as advanced command and control

capabilities for quicker force employment decisions. The Commission recommends four sets of actions to strengthen public support for the Alliance.

- *Focus on common values*: Japanese and U.S. leaders need to emphasize continually the fundamental basis of the Alliance in common values and mutual defense, and their shared vision for the future; both sides should promote public discussions of missions, roles, and capabilities aimed at further expanding and strengthening the Alliance.

- *Accelerate the relocation of U.S. forces on Okinawa*: In the short-term, the Futenma Replacement Facility plan must be completed on schedule and the two governments should make efforts to explain the fact that some functions at Futenma are being moved to the main islands of Japan; in the mid-term the relocation of almost half of the 22,000 Marines currently stationed in Okinawa and scheduled to be transferred to Guam, Australia, and Hawaii should be accelerated from the current completion date of the early 2030s through earlier construction of facilities in their new locations; the government of Japan and local Okinawa governments should develop some "quick win" land returns, such as accelerating land returns to Naha port, the centerpiece of plans for Okinawan economic rejuvenation; in the long-term, the two countries must work hard to reduce the concentrated burden on Okinawa and move towards a more positive concept of sharing responsibility for hosting U.S. forces throughout Japan; policies should include increased joint use of bases, colocation of units, rotational deployment of Okinawa-based aircraft such as MV-22s to bases outside Okinawa, and increased bilateral training opportunities; due to the strategic importance of the southwestern island chain and the increasing Chinese presence there, Japan should reinforce the growing SDF personnel, radar, and missile battery presence on these islands; there should also be greater joint use of and access to bases to improve interoperability; and the Allies should make greater efforts to sustain U.S. presence in the region as they work toward accelerating the relocation of U.S. forces on Okinawa.

The United States and Japan must work hard to reduce the concentrated burden of the U.S. military presence on Okinawa and move towards a more positive concept of sharing responsibility for hosting U.S. forces throughout Japan.

- *Address environmental and legal issues*: As demonstrated by the recently signed agreement on the environment, both governments need to show flexibility, imagination, and good will in discussions on implementation, interpretation, and supplementation of the Status of Forces Agreement; and a similar flexible approach needs to be taken with individual issues regarding host nation support and land return plans.

- *Build a foundation for long-term ties:* Both governments should continue to support language training, people-to-people exchanges, and cultural initiatives critical to nurturing a new generation of leaders that can carry the U.S.-Japan relationship forward in the years to come.

IV. Conclusion

The U.S.-Japan Alliance has an admirable past and a bright future. The recommendations proposed by the Commission are intended to help the Alliance live up to its potential and manage emerging challenges in the decades ahead. The Commission concludes that the next 15 years will be one of the most testing times in the entire history of the Alliance. The United States and Japan will have to integrate ideological, economic, ideational, and security instruments of power to help foster a more inclusive, open, and rules-based order. This will require strategies for economic growth and engagement, as well as clear resolve in the face of attempts at changing the rules through military or mercantile coercion. The United States and Japan do not seek to contain China's growing economic and political ties across Asia, only to offer an attractive alternative and the opportunity for states to make their choices freely. Competition is inevitable, but a competition based on attraction rather than coercion will lead to a steady reduction in barriers to trade and investment, the free flow of ideas, and a peaceful and prosperous future for all states in the Asia-Pacific.