

AN ALLIANCE STRATEGY
FOR THE EAST CHINA SEA

ASIA STRATEGY INITIATIVE

POLICY MEMORANDUM #2

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About the Asia Strategy Initiative

The U.S.-Japan alliance remains the cornerstone of regional security and prosperity, but it is vital that Washington and Tokyo pursue an ambitious agenda to deepen, broaden, and sustain the alliance. The Asia Strategy Initiative brings together leading experts to develop detailed policy proposals to form the foundation for the next set of efforts to enhance the U.S.-Japan alliance. The Asia Strategy Initiative seeks to stimulate debate in both capitals about how to move the alliance forward by identifying, developing, and disseminating novel policy proposals. To that end, the Asia Strategy Initiative issues policy memos with specific and actionable recommendations, which are authored jointly by experts from both countries. Although the findings and recommendations are discussed by all members of the group, the specific proposals remain those of the individual authors. The Asia Strategy Initiative was established under Japan-U.S. Program of the Sasakawa Peace Foundation in 2017 and it meets regularly in Washington and Tokyo.

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Assessment

The Improvement of Sino-Japan Relations: Tokyo and Beijing have made efforts to improve and stabilize their overall relations over the last few years. In 2018, high-level exchanges continued to celebrate the 40th anniversary of the 1978 Japan-China Peace and Friendship Treaty, including Chinese Premier Li Keqiang's visit to Japan in May—the first visit by a Chinese Premier in eight years—and Prime Minister Shinzo Abe's visit to China in October. Tokyo and Beijing have paved the way for Chinese President Xi Jinping's visit to Japan twice—one for the G20 and a bilateral summit in May 2019, and the other for a state visit in early 2020, while also seeking the expansion of bilateral economic and trade cooperation, including investment projects in third countries. Meanwhile, the two governments agreed to implement the long-awaited Japan-China Maritime and Air Communication Mechanism that went into effect in June 2018. The mechanism is aimed at mitigating risks in the East China Sea, building confidence between defense authorities, and serving as an agreement on maritime search and rescue operations.

No Positive Change in Chinese Behavior in the East China Sea: Despite the efforts to improve bilateral relations, there is no change in China's behavior in the East China Sea. Beijing is expected to continue to challenge Japanese administration of the Senkaku Islands as it is not contradictory for Beijing to do so.

- **Chinese Coast Guard Overwhelming Japan Coast Guard.** After September 2016, four Chinese Coast Guard (CCG) ships (previously three ships) sail in the contiguous zone around the Senkaku Islands on a daily basis, weather permitting, and intrude into the territorial waters three times every month on average. The CCG is rapidly increasing the fleet of patrol boats in its possession (40 ships over 1,000 tons in 2012, 120 in 2017, and 135 by 2019), and is expected to commit a 10,000-ton class ship to the Senkaku Islands in due course. The average size of CCG ships in the East China Sea is now 3,000 tons—while that of the Japan Coast Guard (JCG) is 1,500 tons—and some of them are frigate-converted ships with guns. In August 2016, 20 CCG ships escorted hundreds of Chinese fishing boats around the Senkaku Islands, demonstrating Beijing's capability to outnumber the JCG at any time. In July 2018, the CCG was placed under the command of the People's Armed Police (PAP), a paramilitary body under the Central Military Commission (CMC), in an apparent move to further coordinate operations of the CCG and the People's Liberation Army (PLA). The CCG has bolstered its presence around the Senkaku Islands since the beginning of 2019.
- **Growing Chinese A2AD Capabilities Making the Southwestern Islands More Vulnerable.** PLA's naval and air activities in the East China Sea and beyond are expanding, showing three new patterns. First, PLA ships, particularly its intelligence-gathering ships, and aircraft are approaching closer to the Senkaku Islands beyond the median line. Second, the PLA is intensifying operations (including the use of its aircraft carrier), joint training, and exercises encircling Taiwan either from Miyako or the Bashi Channel. Third, the PLA is expanding its operations from the East China Sea to the four Main Islands of Japan (Honshu, Hokkaido,

Kyushu, and Shikoku), including those incorporating bombers and submarines. These new moves provide additional challenges to the alliance. First, the PLA's presence near the Senkaku Islands further raises tensions, increasing the chances of a military confrontation. Second, China's military pressure on Taiwan complicates the situation in the East China Sea and the PLA's movements from the Bashi Channel to the East China Sea are more difficult to detect. Third, threats from aircraft-launched cruise missiles and submarines toward the four Main Islands of Japan are making reinforcements from the Main Islands to the Southwestern Islands more vulnerable.

- **China's Unmanned Systems Operations Likely to Increase the Tension.** Chinese unmanned aerial vehicles (UAVs) have been detected near the Senkaku Islands three times—once within 12 nautical miles (territorial airspace). According to a RAND Corporation report, China is likely to use a wide variety of unmanned systems, including unmanned underwater vehicles (UUVs) for ISR for long-range targeting and for monitoring disputed waters, though Chinese thinking on the implications of the introduction of unmanned systems on the escalation of conflict is not yet clear.
- **Chinese Unilateral Resource Development near the Median Line.** In June 2008, Tokyo and Beijing agreed to jointly develop two out of four gas platforms near the median line in the East China Sea. In 2012, China refused to talk on the joint development and instead constructed additional 12 oil and gas platforms (totaling 16) along the median line so far. Under the 1982 UN Convention on the Law of the Sea, both Tokyo and Beijing have the obligation to exercise self-restraint and cooperation pending delimitation, but Beijing is clearly violating this obligation. In addition, one of the platforms has a surveillance camera and radar, indicating that these platforms can be used for military purposes, particularly ISR. Additional ISR capabilities in the middle of the East China Sea could help the PLA implement its East China Sea Air Defense Identification Zone (ADIZ)—supplementing the coastal radar system—putting U.S. and Japanese ISR activities at greater risk.

Building a Defensive Wall along the Southwestern Islands still on the Way: The 2013 National Defense Program Guidelines (NDPG) calls for a Dynamic Joint Defense Force mainly to defend the Southwestern Islands chain, while advocating a whole-of-government approach to deal with gray zone challenges, particularly closer coordination between the Japanese Maritime Self Defense Force (JMSDF) and the JCG. Tokyo had been implementing the NDPG, but some critical challenges remained.

- The JCG is the first responder to the gray zone challenge in the East China Sea and has established a special unit solely for patrolling the Senkaku Islands with ten new 1,000-ton class patrol ships, two 4,000-ton helicopter patrol ships, and is going to introduce a 6,500-ton, a 6,000-ton, and two 3,500 ton large patrol ships. The JCG also enhanced surveillance and communication capabilities to deal with the situation in the Senkaku Islands. The JCG and the JMSDF have improved mutual communications and coordination with the occasional joint training and exercise for maritime security operations, under which the JMSDF conducts law

enforcement to support the JCG. However, there is a wide perception gap between the JCG and the JMSDF on how to deal with gray zone challenges—the JCG regards them as law enforcement issues, while the JMSDF perceives them as paramilitary challenges—which hinders more efficient and effective responses.

- The 2013 NDPG aims for the maintenance of air and maritime superiority. The Japanese Air Self Defense Force (JASDF) increased its number of F-15s and deployed early warning aircraft at Naha Air Base. E-2D aircraft are also expected to be stationed in Naha. Under the 2018 NDPG, the JASDF is expected to introduce stand-off missiles and the F-35B. The JMSDF is increasing its submarine fleet from 16 to 22, increasing its Aegis destroyers from 6 to 8, and developing a new multi-role frigate especially for counter-mine and anti-submarine operations. The 2018 NDPG also calls for the introduction of multi-role light aircraft carriers to operate F-35Bs. Those assets in the Southwestern Islands are becoming more vulnerable to China’s “short and sharp war” with cruise and ballistic missiles. Under the new NDPG, the JSDF is expected to introduce integrated air and missile defense (IAMD) with the introduction of cooperative engagement capability (CEC) to deal with multiple air threats.
- Under the Joint Defense Force concept, the Japanese Ground Self Defense Force (JGSDF) is building an “Adoptive Agile Ground Defense Force,” consisting of “prepositioning units,” “rapidly deploying units,” and “recapturing invaded islands,” to better defend the Southwestern Islands. The JGSDF established a coastal observation unit on Yonaguni and is planning to station air defense and anti-ship units on Amami Oshima, and Miyako, to be followed by Ishigaki and Okinawa Island. The JGSDF organized a Rapid Deployment Brigade as well as the Amphibious Rapid Deployment Brigade for deployment to remote islands. Under the new NDPG, the JGSDF is expected to launch an amphibious rapid deployment regiment in Okinawa Island with an indigenous amphibious assault vehicle. The “rapidly deploying units” are described as a Japanese marine corps, but they critically lack sealift and airlift support and close-in air support, as well as training sites.

New Players in the East China Sea: Australian and Canadian surveillance aircraft are now stationed at Kadena Air Base under the UN Command Status of Forces Agreement to detect North Korean ship-to-ship sanctions breaches in the East China Sea. Japanese, American, Australian, and Canadian forces now conduct ISR even closer to the Chinese coast.

Implications of the Abolition of the INF Treaty: The United States’ decision to withdraw from the Intermediate-Range Nuclear Forces Treaty was at least in part driven by the shifting conventional military balance in Asia. According to testimony from the Indo-Pacific Command (INDOPACOM) Commander, China now has an estimated 1,600 intermediate-range conventional missiles. Following a final withdrawal from the treaty on August 2, 2019, the United States is moving to test intermediate-range (500-5,500 kilometer) ground-based missiles with conventional warheads. An anti-ship version of this capability will provide INDOPACOM with a new flexible deterrent option

for responding to Chinese coercion inside the so-called first island chain. This capability could be based in Guam and rotated forward to locations in Japan or elsewhere during a crisis or for a joint military exercise with the Ground-Self Defense Force.

Options and Recommendations

Option 1 – Build More Confidence with China.

- **Recommendation 1** – Seek a U.S.–Japan–China trilateral framework to discuss crisis management under multilateral meetings such as ASEAN Regional Forum (ARF), East Asia Summit (EAS), and Western Pacific Naval Symposium (WPNS).
- **Recommendation 2** – Develop unmanned aerial vehicle (UAV) and unmanned underwater vehicle (UUV) crisis management with China bilaterally, trilaterally, and multilaterally.

Option 2 – Bolster Japan's Defense Posture in the Southwestern Islands.

- **Recommendation 3**– Regularize JCG-JMSDF maritime security operation training/exercises.
- **Recommendation 4** – Launch a third JGSDF amphibious regiment in Camp Schwab to be co-located with the U.S. Marine Corps (USMC).
- **Recommendation 5** – Establish a JSDF standing joint task force in the Southwestern Islands.

Option 3 – More Proactive Alliance Response.

- **Recommendation 6** – Prepare areas to horizontally escalate via flexible deterrent options (FDOs), including public naming and shaming.
- **Recommendation 7** – Increase U.S. Army and JGSDF joint training using ground-launched anti-ship missiles, while considering the deployment of U.S. ground-launched INF-range missiles in some Japanese remote islands such as Iwo To (formally known as Iwo Jima).
- **Recommendation 8** – Consider reviewing U.S. policy on the sovereignty of the Senkaku Islands if China continues to undermine Japan's administrative control.
- **Recommendation 9** – Use U.S. assets for intelligence, surveillance and reconnaissance (ISR) and to respond to Chinese illegal/unlawful actions vis-à-vis Japanese sovereignty and jurisdictions.
- **Recommendation 10** – Increase intelligence sharing with Taiwan and the Philippines via the U.S. to enhance situational awareness in the East China Sea and beyond.
- **Recommendation 11** – Utilize civilian facilities in Japan.