

OPRF MARINT Monthly Report

August 2012



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This monthly report was summarized and produced by OPRF staff writers based on their analyses and assessments of open source information.

Each source of information is described as an internet link in a bracket, which is available as URL online as of the end of August 2012.

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1. Information Digest

1.1 Maritime Security

August 3 “India launches coastal surveillance system” (Defense News, August 3, 2012)

On the 3rd, India launched its National Automatic Identification System (NAIS). Saab of Sweden and Indian defense major Elcome Marine Services built the NAIS at a cost of more than \$22 million. NAIS connects 74 sensors installed on lighthouses along the entire coastline of India that will be able to track vessels to a distance of 50 kilometers from the coast. NAIS provides real-time traffic information and the web server allows access to live data over the Internet. Seventy four base stations have been installed in lighthouses with six regional control and two coastal control centers, in addition to one national data center.

Refer to the article: India Unveils Coastal Surveillance System

<http://www.defensenews.com/article/20120803/DEFREG03/308030002/India-Unveils-Coastal-Surveillance-System>

August 8 “There is no hijacking by Somali pirates for the first time in half decade” (The Christian Science Monitor, August 8, 2012)

Private guards and international naval patrols – and some rough seas – have prevented successful high-seas hijackings by Somali pirates since July, the first zero-attack month since 2007. Since June 19, Somalia’s pirates have not successfully taken any vessel hostage, and since June 26, they have not even tried to carry out a hijack. “This is traditionally a quiet time for pirate attacks, but there have still always been a handful [of] incidences even during the monsoon months of July and August,” said an IMB’s officer. “However since June 26 this year, we have seen no activity whatsoever in the southern Red Sea, the Gulf of Aden, the Gulf of Arabia, or the Somali Basin,” he said. This is already after a 60 percent reduction in pirate attacks in the first six months of 2012 compared to the same stretch last year, from 163 incidents to 69. Despite this, Somali pirates still hold as many as 191 crew members and up to 14 merchant vessels and fishing boats. Roughly three dozen warships are currently on anti-piracy patrol in more than 2.5 million nautical square miles of sea, an area the size of the continental United States. Their new tactics have involved helicopter gunship attacks on pirate logistics bases onshore, and targeting teams working together in what are called “pirate action groups.” A majority of vessels passing through the Gulf of Aden and the northwest Indian Ocean are now thought to be carrying contracted armed guards, who are mandated to protect ships first with warning shots and then with direct fire. An expert on Somali piracy based in Oslo, Norway, said, “Pirate commanders I have spoken to onshore tell me that it’s those armed guards they’re most afraid of. It means that they just don’t target the most valuable ships any more. That has forced the remaining pirate cells to target fishing boats of limited value rather than large oil carriers, cargo ships, or private yachts.” “The

return on investment is now just too low, and pirate leaders are basically saying that they are getting out of piracy and going into other business, like kidnapping,” he said. That does not mean that the pirates have beached their boats for good, however. Once the monsoon passes, many are expected to be back at sea.

Refer to the article: For Somali pirates, July was a very bad month

<http://www.csmonitor.com/World/Africa/2012/0808/For-Somali-pirates-July-was-a-very-bad-month>

August 13 “Dutch naval ship frees hijacked dhow and detains six suspected pirates” (NATO, Press Release, August 13, 2012)

On the 13th, the armed boarding team of the Dutch naval vessel HNLMS *Rotterdam*, the flagship of Operation Ocean Shield (NATO’s counter-piracy operation), freed a hijacked dhow by pirates in the Gulf of Aden and detained six suspected pirates. The successful action was the result of a jointly-conducted operation of ships and patrol aircraft from NATO and the European Union. Below is the scene at the time.

Refer to the article: NATO vessel Rotterdam frees hijacked dhow

http://www.nato.int/cps/en/natolive/news_89538.htm



Source: NATO, Press Release, August 13, 2012

August 13 “Seychelles: start of construction of new anti-piracy centre” (Seychelles Nation, August 14, 2012)

On the 13th, a ground-breaking ceremony marked the start of construction of a new anti-piracy centre. The centre, called the Regional Anti-Piracy Prosecution and Intelligence Coordination Centre (Rappicc), will be based at the former coastguard base at Bois de Rose. The Rappicc project was initiated in February of 2012 when President James Michel was invited as a guest of the British government to the London Conference on Somalia. Rappicc was discussed and a memorandum of understanding (MoU) was signed between the United Kingdom and Seychelles, represented by Prime Minister David Cameron and President Michel. The centre will be one for investigation, prosecution and intelligence gathering of people involved in piracy, who support, finance and provide weapons and boats for piracy activities. The director for Rappicc, Garry Crone, said Rappicc represents the first time that industry, law enforcement, police, intelligence and the military come together to work in partnership to address the issue of piracy. Rappicc is expected to be completed by the end of January 2013 and is supposed to start operating in

February.

Refer to the article: Work Starts On New Anti-Piracy Centre in Seychelles

<http://www.nation.sc/index.php?art=28464>

August 22 “India will operate new coastal surveillance network by mid-2013” (Defense News, August 22, 2012)

According to the web magazine *Defense News* dated the 22nd, Indian Defence Minister A.K. Antony told the Indian Parliament in a written reply that India’s new coastal surveillance network will be operational by mid-2013. “The Coastal Surveillance Network consisting of a chain of static radar and electro-optic sensors at 84 remote sites is envisaged all along the coastline, including the island territories to detect movement of suspicious vessels,” the minister said in his written reply. In the first phase, 46 radars are being operationalized in clusters. The network is envisaged to be fully functional by the middle of 2013. The coastal radars are part of India’s plans to substantially build its Coast Guard with additional personnel and assets. The Coast Guard is also acquiring 20 fast patrol vehicles, 41 interceptor boats, 12 coastal surveillance aircraft (Dorniers) and off-shore patrol vehicles. In 2011, the Indian government approved setting up seven radar stations on the Gujarat coast along with a Coast Guard station. The Coast Guard has also begun receiving the Dornier aircraft, 12 of which have been ordered. The aircraft are equipped with sophisticated navigational and communication sensors, and equipment. The aircraft can be configured into various roles, such as pollution response, search and rescue, and maritime reconnaissance to meet Coast Guard duties, including coastal security.

Refer to the article: Indian Coastal Surveillance Net to Debut in Mid-2013

<http://www.defensenews.com/article/20120822/DEFREG03/308220003/Indian-Coastal-Surveillance-Net-Debut-Mid-2013>

August 26 “South Africa resumes anti-piracy operation” (Defence Web, August 27, 2012)

After an absence of two months, the South African Navy has resumed anti-piracy patrols off the coast of Mozambique on the 26th. The frigate SAS *Amatola* sailed from Durban harbour on the 26th to begin her latest three-month anti-piracy deployment in the waters of Tanzania and the Mozambique Channel. The Navy has maintained an anti-piracy patrol in the Mozambique Channel since early 2011, under Operation Copper. The naval presence generally consists of a frigate supported by a C-47TP Dakota maritime reconnaissance aircraft of the South African Air Force. Naval vessels were sent to the Mozambique Channel at regular intervals, not continually. However, a SAAF C-47TP Dakota has continued providing a maritime surveillance capability from the forward station at Pemba in Mozambique.

Refer to the article: Navy resumes anti-piracy patrols after two-month hiatus

http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=27443:navy-resumes-anti-piracy-patrols-after-two-month-hiatus&catid=108:Maritime%20Security&Itemid=233



SAS Amatola

Source: Defence Web, August 27, 2012

August 30 “Chinese mainland and Taiwan agree to hold biennial joint maritime rescue exercise” (Xinhua, August 30, 2012)

The Chinese mainland and Taiwan have agreed to hold a joint maritime search and rescue exercise every other year, taking turns to be the host, Vice Minister of Transport Xu Zuyuan said on the 30th. During the ongoing cross-strait maritime rescue exercise, the second such exercise since both parts launched their first one in 2010. The drill, set in the waters between Xiamen and Jinmen on the Taiwan Strait, consists of multiple scenarios, including rescue operations. In 2011, the maritime rescue coordinating center of Fujian Province has rescued 193 ships and saved 1,973 human beings in its 209 maneuvers. As of the first half of 2012, cross-strait passengers’ transportation rose 13.6 percent year on year to hit 840,000 while the volume of cargo and container transportation reached 27 million tons and 840,000 TEUs separately.

Refer to the article: Chinese mainland, Taiwan agree joint maritime rescue exercise
http://news.xinhuanet.com/english/china/2012-08/31/c_131820178.htm

1.2 Military Developments

August 2 “Australia rejects proposal to base U.S. carrier” (Military Times, AP, Aug 2, 2012)

The report titled “U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment” published on June 27 by The U.S. think tank The Center for Strategic and International Studies (CSIS), proposing repositioning U.S. forces in the region suggested relocating an aircraft carrier from the U.S. East Coast to an Australian naval base south of the city of Perth. But Defense Minister Stephen Smith said on the 2nd that although negotiations were underway to increase U.S. Navy access to Australia’s Indian Ocean base, HMAS *Stirling*, it

would never become a U.S. military base. “We have made it crystal clear from the first moment — we don’t have United States military bases in Australia. We don’t see the need for that,” Smith said. Hugh White, head of Australian National University’s Strategic and Defense Studies Center, pointed out that Chinese objections were the major reason why Australia was unlikely to ever allow U.S. bases on its soil. “The government was surprised that China reacted as negatively as it has to the decision to have Marines rotate deployments through Darwin,” White said. “There’s a concern that the more the U.S. builds up its military posture in the Western Pacific, the higher the risk that the U.S.-China relationship will become more competitive, more adversarial, more hostile, and that pushes Australia close to the point of having to make a choice between the U.S. and China, and that’s something we badly want to avoid,” he said.

Refer to the article: Australia rejects proposal to base U.S. carrier

<http://www.militarytimes.com/news/2012/08/ap-australia-rejects-carrier-base-proposal-080212/?utm>

CSIS Report: U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment

http://csis.org/files/publication/120814_FINAL_PACOM_optimized.pdf

August 5 “J. Holmes: Top 5 Things China’s Navy needs to be blue-water navy” (The Diplomat, August 5, 2012)

James R. Holmes, an associate professor of strategy at the U.S. Naval War College, contributed an article titled “Top 5 Things China’s Navy Needs...To Be a Blue-water Navy” to the web magazine on international current affairs *The Diplomat* dated the 5th. Holmes states top five challenges China’s navy needs to be a blue-water navy. Below is the summary of each challenge.

5. Develop MIW (Mine Warfare).

The PLA Navy has preserved its legacy as a coastal defense force even while eyeing the blue water. Offensive mine warfare remains one of its core competencies to this day. Its capacity to clear sea mines deployed by enemies is another question entirely. Chinese mariners will encounter a kind of role reversal as they start operating near others’ shores. Local defense forces may seed offshore waters with mines to inhibit China’s freedom of action. Beijing needs to develop hardware and skills for counter-mine warfare. MIW measures cannot be improvised on the fly. This is slow, painstaking, highly technical work.

4. Develop ASW.

ASW forces confront human ingenuity and perseverance. China has premised its access-denial strategy in large part on diesel submarines’ acting as pickets in the China seas or Western Pacific. Yet building the capacity to hunt subs appears to remain a low priority for the navy. Naval officials need to rethink their priorities or stick close to home.

3. Build unsexy ships.

The PLA Navy has put little effort into its combat logistics fleet, but it will need such a force to range across the world’s oceans and seas. Floating maintenance facilities outfitted with machine shops, welding shops, etc could support forward operations. Tenders would grant China the capacity to create a mobile, politically uncontroversial—relatively

speaking—string of pearls. The PLA Navy could dispatch these workhorse vessels to commercial ports bankrolled by Beijing, erecting instant “lily pad” naval bases in lieu of permanent—and possibly objectionable—infrastructure.

2. Go to sea—a lot.

Chinese mariners need to go to sea as a matter of routine, regardless of whether Chinese fleets stand out into faraway seas or confine their endeavors to home waters. Seamen do not hone their craft or build esprit de corps by sitting pierside. They need to ply the raging seas. The PLA Navy needs to cast off all lines and get out there more than episodically, or else cede the all-important human edge to prospective opponents.

1. Think like a blue-water fleet.

You’ll notice my top two priorities for China’s navy are about the human factor in seafaring and maritime combat. As Herodotus observed, culture is king. That’s true of organizations as well as societies. The PLA Navy must transcend its Maoist heritage as a coastal defense fleet to take its station alongside the U.S. Navy as a blue-water navy. Access denial is an impressive thing. It lets China’s navy roam the China seas, much of the Western Pacific, and parts of the Indian Ocean while staying under protective cover from antiship ballistic missiles and other short-range armaments. But Chinese seafarers must ultimately shuck off their defensive “fortress-fleet” mentality. The PLA Navy will be on the offensive—and thus must fundamentally reinvent its culture to think like an offensive force.

There are many varieties of blue-water navy. A lot depends on what Beijing wants its navy to accomplish. But the PLA Navy will need the skills, cultural traits, and hardware.

Refer to the article: Top 5 Things China’s Navy Needs...To Be a Blue-water Navy

<http://thediplomat.com/the-naval-diplomat/2012/08/05/top-5-things-chinas-navy-needs-to-be-a-blue-water-navy/>

August 8 “India to conduct trial of indigenous submarine within several months” (Defence Talk, AFP, August 9, 2012)

On the 8th, Indian navy chief Admiral Nirmal Verma announced that the indigenous 6,000-ton submarine INS *Arihant* is steadily progressing towards operationalization, and scheduled to commence sea trials in the coming months. *Arihant* is powered by an 85-megawatt nuclear reactor and can reach 44 kilometres an hour (24 knots), according to defence officials. It will carry a 95-member crew. The Indian navy inducted a Russian-leased nuclear submarine into service in April of 2012, joining China, France, the United States, Britain and Russia in the elite club of countries with nuclear-powered vessels.

Refer to the article: India’s first nuclear submarine set for trials

<http://www.defencetalk.com/indias-first-nuclear-submarine-set-for-trials-44146/>

August 10 “Indonesia to build submarine base in C. Sulawesi” (The Jakarta Post, August 10, 2012)

The commander of Palu Navy Base (located in Central Sulawesi), Col. Marine Budi Utomo, said on the 10th that the Indonesian Military (TNI) would soon build a submarine base at the Palu Naval Base of the Palu Bay. Utomo said onboard its Navy’s dock landing ship KRI *Makassar* in harbor, “We chose the Palu Bay as the base because the waters there are the deepest in Indonesia. The depths reach 400 meters. The Navy will soon conduct thorough research around the area.” The KRI *Makassar* with a length of 122 meters, 22 meters width and a height of 30 meters, successfully docked at the base without problem. The KRI *Makassar* is used to secure the areas of the second Archipelagic Sea Lanes of Indonesia (ALKI II) and the sea block in Ambalat in the waters. This ship could carry 35 war tanks. The Central Sulawesi Governor said the regional administration had provided three-hectares of land to build the base, as well as expanding the dock and dormitory areas.

(Note: ALK II is the area of Makassar. The area of Ambalat is a disputed sea area with Malaysia)

Refer to the article: TNI to build submarine base in C. Sulawesi

<http://www.thejakartapost.com/news/2012/08/10/tni-build-submarine-base-c-sulawesi.html>

August 14 “How to avoid U.S. – Sino conflict” (The Diplomat, August 14, 2012)

James Dobbins, a research fellow of the RAND Corporation, contributed an article titled “Conflict with China: What It Would Like, How to Avoid It” to the web magazine *The Diplomat* dated the 14th. Dobbins is one of the authors of the report published in October 2011 by the Rand Cooperation, “Conflict with China: Prospects, Consequences and Strategies for Deterrence.” Below is his points of the argument. (Regarding the report, please refer to Intelligence Assessment in the November 2011 issue of OPRF MARINT Monthly Report)

- (1) Over the next 20 years, China’s GDP and defense budget could grow to exceed those of the United States, but China’s security interests and military capabilities will likely remain focused on its immediate periphery. Armed conflict between the United States and China is not probable in any of these instances, but that judgment is based on an assessment that the United States will retain the capacity to deter the type of behavior.
- (2) While China’s overall military capabilities will not equal those of the United States anytime soon, it will more quickly achieve local superiority in its immediate neighborhood, first in and around Taiwan and then at somewhat greater distances. In consequence, the direct defense of contested assets in that region will become progressively more difficult, eventually approaching impossible. The United States will therefore become increasingly dependent on escalatory options for defense and retaliatory capabilities for deterrence. American nuclear superiority is not likely to be much help in this regard, both because China will retain a second-strike capability and because the issues at stake in most potential crises are not of vital consequence to the United States. Conventional strikes on mainland Chinese military targets may be the best escalatory option, but there is little reason to be confident that conflict could be so confined.

- (3) One means of improving the prospects for direct defense and reducing the risk of escalation is for the United States to enable the capabilities and buttress the resolve of China's neighbors. Such a strategy should not be—or be seen—as a U.S. attempt to encircle or align the region against China, lest it produce greater Chinese hostility. Indeed, a parallel effort should be made to draw China into cooperative security endeavors, not only to avoid the appearance of an anti-China coalition but also to obtain greater contributions to international security from the world's second-strongest power.

Refer to the article: Conflict with China: What It Would Like, How to Avoid It

<http://thediplomat.com/flashpoints-blog/2012/08/14/conflict-with-china-what-it-would-look-like-how-to-avoid-it/>

August 17 “Improved *Kilo* class submarines fulfill Russian domestic, international demand for conventional subs” (Defense Update, August 17, 2012)

The initial ordered for six *Varshavyanka* class Project 636.3 diesel-powered submarines that are the upgrade version of Russian *Kilo* class is currently underway with three vessels in construction. The third *Varshavyanka* class submarine *Stary Oskol* was laid down on the 17th at the Admiralty Shipyard in St. Petersburg. Upon completion the *Stary Oskol* submarine will join the Russia's Black Sea Fleet by 2016. The first sub *Novorossiisk* and the second sub *Rostov-on-Don* are currently being built. *Rostov-on-Don* is scheduled to enter service with the Black Sea fleet in 2014. By 2020 the Russian Navy plans to have eight to ten *Varshavyanka* class submarines. The six submarines on order are mainly intended for anti-shiping and anti-submarine missions in relatively shallow waters.

Originally, the Russian Navy wanted the Project 677 *Lada* class sub St. Petersburg was laid in 1997. After eight years of trials, however, the Navy decided to terminate the project and opt for an updated version of the proven 636 design. An export version of the *Lada* named '*Amur-1650*' is currently on offer to India.

Varshavyanka class Project 636.3 submarines are not equipped with Air Independent propulsion (AIP) cell, but with advanced quietness. The submarine uses anechoic tiles to absorb sound waves emitted by active sonar, thus reducing probability of detection by surface vessels, anti-submarine aircraft or enemy submarines. These tiles help attenuate sounds emitted from inside the submarine, adding its ability to shut-down the diesel engines when submerged, it reduces the range by which the sub may be detected by passive sonar.

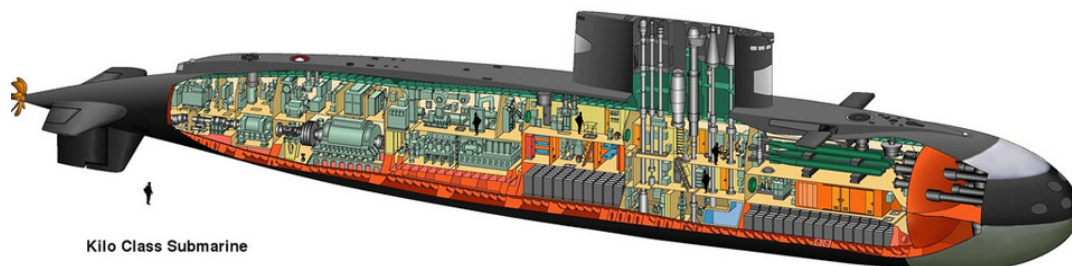
The Russian *Kilo* class Project 636.3 submarine *Varshavyanka*, crewed by 52 submariners, have an underwater speed of 20 knots, a cruising range of 400 miles (electric propulsion) with the ability to patrol for 45 days. The Improved *Kilo* submarine is armed with six 533-mm torpedo tubes (the vessel carries 18 torpedoes or 24 mines) it is also capable to launch the SS-N-27 Club-S land attack cruise missiles. For self defense the submarine is equipped with Strela-3M or Igla-1 man-portable Air Defense missiles (MANPADS).

The *Kilo* class submarine has been a success story in both domestic and international markets. 4 such subs were completed since 1982. 17 such submarines are in operation with the Russian

Navy, 12 with China's People's Liberation Army navy (PLAN) and ten with the Indian Navy. Other operators include Algeria (4) and Iran (3), Romania (1) and Poland (1). The Admiralty Shipyard is currently building six Project 636M subs for Vietnam.

Refer to the article: Improved Kilo Class Submarines Fulfill Russian Domestic, International Demand for Conventional Subs

http://defense-update.com/20120817_improved_kilo.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+DefenseUpdate+%28Defense+Update%29



Source: Defense Update, August 17, 2012

August 23 “Russian aircraft carrier returns to service” (RusNavy.com, August 23, 2012)

Murmansk branch of JSC Zvezdochka Ship Repair Center has completed technical recovery works on Northern Fleet (NF) aircraft carrier *Admiral Kuznetsov*. On the 23rd, the ship was recommissioned into Russian Navy. The ship joined Northern Fleet on January 20, 1991. The carrier is of 55,000 tons full displacement. The top speed is of 29 knots. The maximum endurance is 45 days. The ship's complement is 1,960 men. The ship carries up to 24 multipurpose helicopters Ka-27, up to 16 supersonic VTOL multirole airplanes Yak-41M and up to 12 deck-based fighters Su-27K. The carrier is armed with missile launchers (12 antiship missiles Granit and 60 ASW rockets Udav-1), SAM system Klinok (192 missiles, 24 launchers) and CIW system Kashtan (256 missiles).

Refer to the article: Russian Carrier Admiral Kuznetsov Returns to Service

http://www.rusnavy.com/news/newsofday/index.php?ELEMENT_ID=15725



Admiral Kuznetsov

Source: RusNavy.com, August 23, 2012

1.3 South China Sea-related Events

August 3 “China’s establishment of Sansha City in Spratly Islands—its strategic meaning” (PacNet, No 48, Pacific Forum, August 3, 2012)

Robert Manning, a senior fellow at the Atlantic Council, published an article titled “China’s New City: Is this Beijing’s Pivot?” in *PacNet* of CSIS (Pacific Forum) dated the 3rd. Manning said that China’s provocative establishment of Sansha City would make a geopolitical dispute in the South China Sea enter a new stage, and China’s escalating hardline stance may have profound significance as part of Beijing’s respond to U.S. pivot to Asia and rebalancing power in Asia. Below is the summary of the article.

- (1) Proclaiming a new city on the 2km long atoll in the South China Sea (population some 150 fishermen), replete with its own mayor, municipal council, and military garrison takes the issue a step beyond diplomatic quarrels with other claimants, in this case the Philippines and Vietnam. China appears to also view its newly anointed Sansha as a sort of administrative and monitoring hub for the wider South China Sea area. Beijing’s move follows an episode in June where Vietnam passed maritime legislation asserting its claims to islands in the Paracel and Spratly chains. Not coincidentally, Beijing’s moves also come on the heels of a leaders meeting of the Association of Southeast Asian Nations (ASEAN) which failed to agree on a statement.
- (2) Beijing has long asserted that all within what are known as the “nine dash lines,” some 80 percent of the South China Sea, is sovereign Chinese territory. This claim contradicts the Law of the Sea (LOS) Treaty, which limits economic zones to within 200 miles of a nation’s continental shelf. Beijing argues that these claims were Chinese territory prior to the LOS treaty, and are somehow consistent with it. However, China did not control Woody island (which it calls Yongxing Dao) until 1974. In 2010, China suggested that these disputed

South China Sea territories were part of its “core interests” in the same non-negotiable sovereign territory category as Taiwan and Tibet. Beijing subsequently appeared to walk back that view after a strong reaction by ASEAN and the United States. However, China’s new measures do not inspire confidence that it has a more restrained definition of core interests.

- (3) But there is a larger point as well. Ever since Washington announced its “rebalancing,” with the Pentagon announcing in June that it would station 60 percent of its navy in the Pacific by 2020, Chinese strategists have been casting about for how to respond. The United States takes no position on the territorial disputes in the South China Sea other than a desire to see them resolved peacefully. The principal U.S. national interest is in maintaining unimpeded freedom of navigation. Could it be that Beijing sees its assertiveness as a low-cost, low-risk way to show Washington a bit of its own version of the Monroe Doctrine? To be sure, China is well aware that its assertiveness is not well received in East Asia, and tends to lead smaller nations to tilt to the United States to balance China. But Beijing seems to be calculating that despite the more robust U.S. military posture in the region, China can throw its weight around and the U.S. response will be limited to diplomatic reprimand. Beijing seems to be betting that the United States will not intervene militarily if there is a naval skirmish between China and Vietnam or the Philippines in the South China Sea.

Refer to the article: China’s New City: Is this Beijing’s Pivot?

<http://csis.org/files/publication/Pac1248.pdf>

August 3 “U.S. Department of State expresses concern about latest trend of South China Sea” (U.S. Department of State, Office of Press Relations, August 3, 2012)

On the 3rd, the U.S. State Department deputy spokesperson was concerned about the latest trend of the South China Sea, and released a statement as follows.

- (1) As a Pacific nation and resident power, the United States has a national interest in the maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce in the South China Sea. We do not take a position on competing territorial claims over land features and have no territorial ambitions in the South China Sea; however, we believe the nations of the region should work collaboratively and diplomatically to resolve disputes without coercion, without intimidation, without threats, and without the use of force.
- (2) We are concerned by the increase in tensions in the South China Sea and are monitoring the situation closely. Recent developments include an uptick in confrontational rhetoric, disagreements over resource exploitation, coercive economic actions, and the incidents around the Scarborough Reef, including the use of barriers to deny access. In particular, China’s upgrading of the administrative level of Sansha City and establishment of a new military garrison there covering disputed areas of the South China Sea run counter to collaborative diplomatic efforts to resolve differences and risk further escalating tensions

in the region.

- (3) The United States urges all parties to take steps to lower tensions in keeping with the spirit of the 1992 ASEAN Declaration on the South China Sea and the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea. We encourage ASEAN and China to make meaningful progress toward finalizing a comprehensive Code of Conduct.
- (4) We continue to urge all parties to clarify and pursue their territorial and maritime claims in accordance with international law, including the Law of the Sea Convention. We also encourage relevant parties to explore new cooperative arrangements for managing the responsible exploitation of resources in the South China Sea.
- (5) Asia-Pacific nations all have a shared stake in ensuring regional stability through cooperation and dialogue. To that end, the United States actively supports ASEAN unity and leadership in regional forums and is undertaking a series of consultations with ASEAN members.

Refer to the article: Press Statement on South China Sea

<http://www.state.gov/r/pa/prs/ps/2012/08/196022.htm>

【Related article】

“China opposes U.S. State Department’s statement” (Xinhua, August 4, 2012)

On the 4th, a Chinese Foreign Ministry spokesman openly objected to announcement by U.S. Department of State. The spokesman said in a statement, “completely ignored the facts, deliberately confounded right and wrong, and sent a seriously wrong signal, which is not conducive to the efforts safeguarding the peace and stability of the South China Sea.” “China has indisputable sovereignty over the Nansha Islands and their adjacent waters, and has ample historical basis for this,” he said. Moreover, he showed the summary of the points of debate.

- (1) Setting up Sansha city is the Chinese government’s necessary adjustment of the current administrative agencies, which is completely within China’s sovereignty.
- (2) It is worrisome that certain countries do not respect and abide by the Declaration on the Conduct of Parties in the South China Sea (DOC), by undermining the basic principle and spirit of the DOC again and again in a provocative way. This has created difficulties for the negotiation of the Code of Conduct (COC). Therefore, China advocates that parties concerned should strictly abide by the DOC, so as to create necessary conditions and atmosphere for the negotiation of the COC.
- (3) Why does the United States turn a blind eye to the facts that certain countries opened a number of oil and gas blocks, and issued domestic laws illegally appropriating Chinese islands and waters? Why does the United States avoid talking about the threats of military vessels to Chinese fishermen by certain countries and their unjustified claims of sovereignty rights over Chinese islands? The selective blindness and expression of concerns of the U.S. side run against the attitude of ‘no position’ and ‘not to intervene.’ The U.S. side should follow the trend of the times, respect the common aspiration of countries in the region to maintain peace and stability and promote development, respect China’s

sovereignty and territorial integrity, and make more contributions to the peace and prosperity of the Asia Pacific.

Refer to the article: China strongly opposes U.S. State Department's statement on South China Sea: FM spokesman

http://news.xinhuanet.com/english/china/2012-08/04/c_131761517.htm

August 3 “Storey: Background of China’s latest hardline stance in South China Sea” (China Brief, August 3, 2012)

Ian Storey, a fellow at the Institute of Southeast Asian Studies of Singapore, contributed an article titled “China Pushes on the South China Sea, ASEAN Unity Collapses” to *China Brief* dated the 3rd published by The Jamestown Foundation. Below is the summary of the article.

- (1) For more than two decades Beijing has pursued a consistent policy in the South China Sea composed of two main elements: gradually strengthening the country's territorial and jurisdictional claims while at the same time endeavoring to assure Southeast Asian countries of its peaceful intentions. Recent moves by China to bolster its maritime claims have brought the first element into sharp relief, while reassurances of benign intent have, however, been in short supply. China has fuelled them by brazenly exploiting divisions within the Association of Southeast Asian Nations (ASEAN) to further its own national interests.
- (2) Commentaries in China's state-run media analyzing the South China Sea issue have become markedly less conciliatory. Opinion pieces highlight several new themes in China's official line. One theme is that China's territory, sovereignty as well as its maritime rights and interests increasingly are being challenged by Southeast Asian nations and Japan. Another theme is that, while China has shown restraint, countries such as the Philippines and Vietnam have been pursuing provocative and illegal actions in a bid to “plunder” maritime resources. A third theme is that Manila and Hanoi continue to encourage U.S. “meddling” in the South China Sea and that the United States uses the dispute as a pretext to “pivot” its military forces toward Asia.
- (3) To reverse these negative trends, Chinese commentators have urged the government to adopt more resolute measures toward disputed territories and maritime boundaries. Recent measures such as China's upgrading of the administrative level of Sansha City and establishment of a new military garrison there undertaken by the Chinese authorities do indeed suggest a more hard-line position. Ominously, some of the initiatives have included a strong military element, presumably as a warning to the other claimants that China is ready to play hardball.

Refer to the article: China Pushes on the South China Sea, ASEAN Unity Collapses

http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=39728&tx_ttnews%5BbackPid%5D=589

【Related article】**“President of National Institute for South China Sea Studies, Wu: Background of China’s latest hardline stance in South China Sea” (The New York Times, August 11, 2012)**

In the past several weeks, China has steadily increased its pressure, sending patrols with bigger ships and issuing persistent warnings in government-controlled newspapers for Washington to stop supporting its Asian friends against China. The leadership in Beijing appears to have fastened on to the South China Sea as a way of showing its domestic audience that China is now a regional power, able to get its way in an area it has long considered rightfully its own.

China does not want to control all of the South China Sea, says Wu Shicun, the president of a government-sponsored research institute. According to him, it wants only 80 percent. China recently established a larger army garrison and expanded the size of an ostensible legislature to govern a speck of land, known as Yongxing Island, more than 200 miles southeast of Hainan. The goal of that move, Mr. Wu said, is to allow Beijing to “exercise sovereignty over all land features inside the South China Sea,” including more than 40 islands “now occupied illegally” by Vietnam, the Philippines and Malaysia. The increased military presence on the island makes the Philippines especially nervous because it thrusts China’s presence closer to the islands in the South China Sea. Since the 1990s, the approximately 620 Yongxing Island residents have enjoyed drinking water, electricity and air-conditioning, Mr. Wu said. The new 45-member legislature is intended to issue laws on maritime issues, he said.

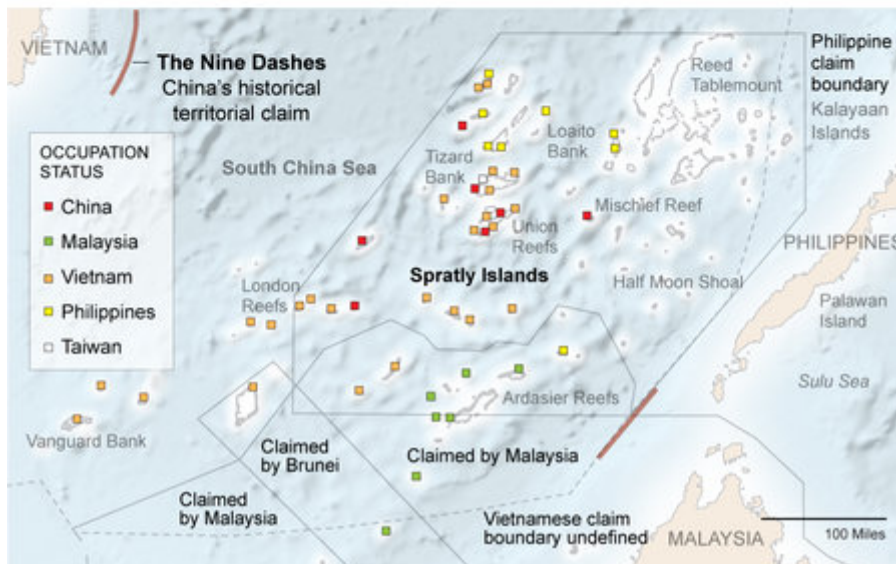
The nine-dash map, which appears in government documents and even in Air China’s in-flight magazine, is one of the central points of conflict in the South China Sea dispute. It is not recognized by any other country. On how long it would take China to win back the islands that it claims sovereignty over, Mr. Wu said he could not estimate. The other claimant countries were standing firm, he said. Moreover, the re-engagement of the United States in the Asia-Pacific region “means we will have obstacles in solving the South China Sea questions between China and the relevant claimant states.”

Refer to the article: China Asserts Sea Claim With Politics and Ships

http://www.nytimes.com/2012/08/12/world/asia/beijing-reasserts-its-claims-in-south-china-sea.html?_r=1&nl=todaysheadlines&emc=edit_th_20120812



China's claims versus those of its neighbors



Source: <http://www.nytimes.com/imagepages/2012/08/12/world/asia/12chinasea.html?ref=asia>

August 8 “R. Beckman: Claimant States should define their maritime claims by bringing them into strict conformity with UNCLOS” (Eurasia review, August 8, 2012)

Robert Beckman, an associate professor of National University of Singapore, contributed an article titled “The South China Sea Disputes: How Countries Can Clarify Their Maritime Claims – Analysis” to the web magazine *Eurasia review*. He pointed out in the article that the maritime claims of the claimant States are ambiguous, and the claimant States should define their maritime claims by bringing them into strict conformity with UNCLOS. Below is the summary of the article.

- (1) The United Nations Convention on the Law of the Sea (UNCLOS) is of fundamental importance to the South China Sea disputes for three reasons.
 - a. UNCLOS establishes a detailed legal framework setting out the rights and obligations of States with respect to uses of the oceans. All of the States with maritime claims in the South China Sea (China, Brunei, Malaysia, Philippines and Vietnam) are parties to UNCLOS and are legally bound by its provisions.
 - b. UNCLOS sets out the maritime zones which coastal States can claim from land territory over which they have sovereignty. For example, coastal States have a right to establish a 12 nautical mile (nm) territorial sea adjacent to their coast in which they have sovereignty. UNCLOS also provides that coastal States have the right to an exclusive economic zone (EEZ) extending out to 200 nm from their coasts.
 - c. UNCLOS sets out the maritime zones that can be claimed by coastal States from offshore geographic features.
- (2) One of the major sources of tension in the South China Sea is that many of the claimant States have made maritime claims that are ambiguous or which are not completely consistent with the provisions of UNCLOS. If claimant States took measures to bring their maritime claims into strict conformity with their rights and obligations under UNCLOS, it would be of great assistance in clarifying the maritime disputes in the South China Sea. There are three types of measures the claimant States should take.
 - a. The claimant States who are claiming a 200 nm EEZ from their mainland coast should give official notice of the outer limit of their EEZ by publishing charts or lists of geographic coordinates, as required by UNCLOS. In addition, if they have measured their 12 nm territorial sea and 200 nm EEZ from straight baselines along their coast, they should give official notice of such baselines by publishing charts or lists of geographic coordinates, as required by UNCLOS.
 - b. The claimant States should identify the names and locations of islands over which they claim sovereignty. This is important because States can claim sovereignty only over off-shore features which meet the definition of an island, and only islands are entitled to a territorial sea and other maritime zones. An island is defined as “a naturally formed area of land, surrounded by water, which is above water at high tide.” Most of the geographic features in the South China Sea are reefs, shoals, cays or low-tide elevations which are not above water at high tide. One academic study concluded that less than

25% of the approximately 170 geographic features in the Spratly Islands meet the definition of an island.

- c. The claimant States believe that any of the islands they claim are entitled to an EEZ and continental shelf of their own, they should identify such islands and give notice of the EEZ claim from them by publishing official charts or lists of geographic coordinates of the limits of such claims, as required by UNCLOS. This is important because most of the islands in the South China Sea are tiny, uninhabitable rocks. Under UNCLOS, “rocks which cannot sustain human habitation or economic life of their own” are not entitled to an EEZ or continental shelf.
- (3) If the claimant States took the above measures it would bring their maritime claims into conformity with UNCLOS, and the areas of overlapping maritime claims could be identified. Once the areas of overlapping maritime claims have been identified, UNCLOS obligates the States concerned to enter into provisional arrangements of a practical nature, pending the final agreement on the delimitation of maritime boundaries. Such provisional arrangements can include agreements to jointly develop the fisheries or hydrocarbon resources. Further, UNCLOS provides that during the transitional period, States must not take unilateral action in the overlapping maritime areas which would jeopardize or hamper the reaching of a final agreement on the delimitation of the maritime boundaries. Finally, such provisional arrangements are without prejudice to any claims to territorial sovereignty over islands and to the final delimitation of the maritime boundaries.
- (4) If the claimant States brought their maritime claims into conformity with UNCLOS as set out above, it would set the stage for negotiations between the claimant States to attempt to reach provisional arrangements, including joint development agreements. As recognized many years ago by the late Deng Xiaoping, the only viable way to deal with the intractable territorial sovereignty disputes in the South China Sea is to set aside the disputes and jointly develop the resources.

Refer to the article: The South China Sea Disputes: How Countries Can Clarify Their Maritime Claims – Analysis

<http://www.eurasiareview.com/08082012-the-south-china-sea-disputes-how-countries-can-clarify-their-maritime-claims-analysis/>

August 20 “U.S. Democratic senator Webb: U.S. should take robust response to maritime business in East Asia” (The Wall Street Journal, August 20, 2012)

Democratic senator James Webb, the chairman of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, contributed an article titled “The South China Sea’s Gathering Storm” to the American newspaper *The Wall Street Journal* dated 20th, saying that the United States should take robust response to maritime business in East Asia. Below is the summary of the article.

- (1) Since World War II, despite the costly flare-ups in Korea and Vietnam, the United States has proved to be the essential guarantor of stability in the Asian-Pacific region. As the

region has grown more prosperous, the sovereignty issues have become more fierce. Over the past two years Japan and China have openly clashed in the Senkaku Islands, whose administration is internationally recognized to be under Japanese control. China and Vietnam both claim sovereignty over the Paracel Islands. China, Vietnam, the Philippines, Brunei and Malaysia all claim sovereignty over the Spratly Islands. Nowhere is this growing tension clearer than in the increasingly hostile disputes in the South China Sea. On June 21, China's State Council approved the establishment of a new national prefecture which it named Sansha. On July 22, China's Central Military Commission announced that it would deploy a garrison of soldiers to guard the islands in the area. On July 31, it announced a new policy of "regular combat-readiness patrols" in the South China Sea. For all practical purposes China has unilaterally decided to annex an area that extends eastward from the East Asian mainland as far as the Philippines, and nearly as far south as the Strait of Malacca.

- (2) American reaction has been muted. The State Department waited until August 3 before expressing official concern over China's "upgrading of its administrative level . . . and establishment of a new military garrison" in the disputed areas. The statement was carefully couched within the context of long-standing policies. In truth, American vacillations have for years emboldened China. Even so, the Chinese government responded angrily. U.S. policy with respect to sovereignty issues in Asian-Pacific waters has been that we take no sides, that such matters must be settled peacefully among the parties involved. Smaller, weaker countries have repeatedly called for greater international involvement.
- (3) China, meanwhile, has insisted that all such issues be resolved bilaterally, which means either never or only under its own terms. Due to China's growing power in the region, by taking no position Washington has by default become an enabler of China's ever more aggressive acts.
- (4) The United States, China and all of East Asia have now reached an unavoidable moment of truth. Sovereignty disputes in which parties seek peaceful resolution are one thing; flagrant, belligerent acts are quite another. How this challenge is addressed will have implications not only for the South China Sea, but also for the stability of East Asia and for the future of U.S.-China relations. History teaches us that when unilateral acts of aggression go unanswered, the bad news never gets better with age. All of East Asia is watching what the United States will do about Chinese actions in the South China Sea. They know a test when they see one. They are waiting to see whether America will live up to its uncomfortable but necessary role as the true guarantor of stability in East Asia, or whether the region will again be dominated by belligerence and intimidation.
- (5) The Chinese of 1931 understood this threat and lived through the consequences of an international community's failure to address it. The question is whether the China of 2012 truly wishes to resolve issues through acceptable international standards, and whether the America of 2012 has the will and the capacity to insist that this approach is the only path toward stability.

Refer to the article: The South China Sea's Gathering Storm

<http://online.wsj.com/article/SB10000872396390444184704577587483914661256.html>

August 28 “Russia launches submarine for Vietnam” (RIA Novosti, August 28, 2012)

A person involved in shipbuilding industry at Saint Petersburg of Russia announced that a new *Kilo*-class Project 636 diesel-electric submarine for Vietnam took water on the 28th. The boat is the first of six ordered by Hanoi. Vietnam announced the signing of a contract worth almost \$2 billion for the six boats in December 2009. “The first boat will be launched on the 28th and will begin tests soon after,” a shipyard source said. The boat is due to be delivered to the customer by the end of 2012, he added. All six boats are due to be delivered by 2016. The Project 636 class boats displace 3,100 tons, have a top speed of 20 knots, can dive to 300 meters and have a crew of 52. The boats are armed with 533-mm torpedo tubes and are armed with torpedos, mines, and Kaliber 3M54 (NATO SS-N-27) cruise missiles.

Refer to the article: Russia Launches Submarine for Vietnam

http://en.ria.ru/military_news/20120828/175478902.html



Project 636M submarine

Source: U.S. Naval Institute, August 21, 2012

【Related article 1】

“Background of Vietnam’s introduction of Russian-made sub” (U.S. Naval Institute, August 21, 2012)

Carlyle A. Thayer, the emeritus professor of the University of New South Wales at the Australian Defence Force Academy, contributed an article titled “Russian Subs in Vietnam” to the website of U.S. Naval Institute dated the 21st. In this article, Thayer referred to the background of Vietnam’s introduction and capabilities of *Kilo*-class submarines, and then stated the gist of its operational environment as follows.

- (1) Vietnam is acquiring *Kilo*-class submarines for operations in the relatively shallow waters of the South China Sea. When they commence operations they will enhance Vietnam’s

maritime domain awareness about the operations of foreign paramilitary and naval vessels in waters off Vietnam's coastline and in waters surrounding the Spratly Islands. In addition, the *Kilo* submarines will provide a deterrent against the contingency that China might attempt to quickly seize an island or feature occupied by Vietnam in the South China Sea. More generally, the *Kilos* will provide a modest but potent anti-access/area denial capability against intimidation by Chinese People's Liberation Army Navy warships.

- (2) Before Vietnam acquires these capabilities it will have to absorb the *Kilos* into its force structure and transition from a two-dimensional (surface and air) to a three-dimensional force. Vietnam will also need to find the funding for maintenance and repair to keep the *Kilos* operational and develop a capable submarine rescue capability. Industry analysts predict that Vietnam will fall somewhere between Singapore and Indonesia in its ability to absorb the *Kilos* and produce effective capability. These analysts say much depends on sustained Russian and Indian support over the coming years for Vietnam to develop a truly modern submarine fleet.

Refer to the article: Russian Subs in Vietnam

<http://news.usni.org/news-analysis/news/russian-subs-vietnam>

【Related article 2】

“Vietnam's new *Kilo*-class submarines: game-changer in regional naval balance?” (RSIS Commentaries, August 28, 2012)

Koh Swee Lean Collin, an associate research fellow at the Institute of Defence and Strategic Studies, contributed an article titled “Vietnam's New Kilo-class Submarines: Game-changer in Regional Naval Balance?” to *RSIS Commentaries* dated the 28th. The launch of Vietnam's first *Kilo*-class submarine is another step closer to Hanoi's dream of acquiring an undersea capability. Notwithstanding the media hype, Vietnam's new *Kilos* are far from being the gamechanger in the regional naval balance. Below is the summary of the article.

- (1) In terms of Sino-Vietnamese naval balance, quantitatively, the VPN cannot possibly hope to keep pace with China's growing naval might. China possesses a huge submarine fleet that stands poised to further widen the quantitative gap not just with Vietnam but with other submarine operators in the region. Qualitatively, Vietnam's new undersea capability provides a credible asymmetric counter-poise to China's growing naval might in the South China Sea. As the Chinese have operated the *Kilos* since the 1990s, Vietnam's boats will not present a new surprise. However, Vietnam's *Kilos* will still create concerns for China's naval planners who in the past did not have to consider a Vietnamese undersea capability. Nonetheless, as far as the regional naval balance of power is concerned, this new capability will not pose too great a challenge to China's naval primacy in the South China Sea, given the growing overall edge of China's submarine capabilities.
- (2) Prior to Vietnam's *Kilo* buy, other Southeast Asian navies had acquired smaller numbers of submarines. Indonesia and Malaysia are still confronted with a capability shortfall despite the recent acquisition of new submarines, considering their extensive maritime expanses.

By 2018, with all six *Kilos* projected to enter service, Vietnam could potentially muster the largest undersea force in the region. However, it appears likely that existing Southeast Asian submarine operators will continue to expand their submarine capabilities within this decade. The *Kilos* are not an unfamiliar sight in the South China Sea since Chinese *Kilos* reportedly operate in the area.

- (3) Far from being a game-changer in the regional naval balance of power, Vietnam's new *Kilo*-class submarines do not signify a radical shift in the regional naval balance of power. Rather, the acquisition also demonstrates Vietnam's intent to establish a fully operational undersea capability as part of the overall effort to achieve a 'balanced' navy. Six *Kilos* demonstrates the intent to possess an operationally sustainable force-size that can offer continuous naval presence at sea. This observation is reinforced by Vietnam's concerted effort to acquire not just the machines but also requisite infrastructure and human capital. In 2010, Hanoi reportedly sought Russian assistance to build submarine facilities at Cam Ranh Bay while recently it struck a training agreement with India for its *Kilo* crews. Notwithstanding the submarine programme, the VPN will still have to plug glaring holes in some crucial capability areas, such as maritime aerial surveillance and its ability to sustain durable naval presence in areas of national concern, such as the South China Sea. Vietnam should now also consider exploring submarine rescue capabilities and cooperate in this field with regional navies. Building a full-fledged submarine capability in terms of operationally-ready platforms, proficient crews and relevant doctrine takes time. Ultimately, this is dependent on not just political will but also Vietnam's continued economic well-being.

Refer to the article: Vietnam's New Kilo-class Submarines: Game-changer in Regional Naval Balance?

<http://www.rsis.edu.sg/publications/Perspective/RSIS1622012.pdf>

1.4 Diplomacy and International Relations

August 9 "Australian Defence Minister's speech: Deepening relations between U.S. and China is key to regional stability" (Defense News, August 9, 2012)

Australian Defence Minister Stephen Smith said on the 9th that it was "optimistic" about the emergence of China as a world power but said that strong and peaceful ties between Beijing and the United States would be key to regional stability. Below is the summary of his speech.

- (1) The United States, China and India would be the world's three "super powers" by the second half of this century and Australia wanted Beijing to play a "full and constructive role" in the region. "We're positive and optimistic about that, but we do think it is crucial that China and the United States have a deep level of engagement, and the challenge now (is) to avoid strategic competition between (them)."

- (2) Australia has important ties with both countries — China, a major market for its natural resources, is its top trading partner, while it has a long-standing military alliance with the United States. There was “nothing inconsistent with a comprehensive and growing relationship with China and our military alliance with the United States.” “A positive constructive relationship between two such powers is essential for stability and security during this century.”
- (3) Australia believed the United States would “continue to be the single most important strategic actor in our region for the foreseeable future,” both independently and through its alliances.

Refer to the article: Australia urges Deeper U.S.-China Ties

<http://www.defensenews.com/article/20120809/DEFREG03/308090003/Australia-Urges-Deeper-U-S-China-Ties?odyssey=tab|topnews|text|FRONTPAG>

August 16 “Alaska senator hopeful on passing sea treaty” (Navy Times, AP, August 16, 2012)

The Alaska Republican senator Lisa Murkowski hopes that the Senate will vote to sign the Law of the Sea treaty during the lame duck session following the November election. Melting summer sea ice is opening up the Arctic Ocean to commercial opportunities but the United States could miss them if it doesn’t sign treaty, according to Murkowski. The Constitution requires two-thirds of the Senate — 67 votes — to ratify a treaty. According to the senator, two Republican senators had concerns about that it was not in the national interest at that time. Their decision meant opponents had enough votes to block ratification unless some senators change their minds. In the upcoming months, Murkowski said, representatives from shipping, telecommunications, petroleum and even tourism interests will make the case for the treaty.

Refer to the article: Alaska senator hopeful on passing sea treaty

<http://www.militarytimes.com/news/2012/08/ap-alaska-senator-lisa-murkowski-hopeful-passing-law-of-the-sea-treaty-081612/?utm>

August 31 “U.S. Secretary of State Clinton pledges support to nations of South Pacific” (U.S. Department of State, August 31, 2012)

On the 31st, U.S. Secretary of State Clinton made a speech at a meeting related to the summit conference of the Pacific Islands Forum in the Cook Islands in the South Pacific. She pledged support to the nations of the South Pacific. Below is the summary of the speech.

- (1) We already work closely with our partners on a range of transnational and maritime security issues, including crime, trafficking in persons, nuclear nonproliferation, disaster response and preparedness. But the two that I want to highlight today are – the first is maritime awareness. Under our Shiprider program, ships and aircraft from the U.S. Coast Guard host law enforcement officers from Pacific island nations to patrol their own maritime areas. The benefits can be significant. Since just 2009, for example, this program has helped Kiribati us that more than \$4 million in fines for illegal fishing. Now we’re

working to expand our Shiprider partnership to include the United States Navy in addition to the United States Coast Guard. Additionally, we are working with Australia, New Zealand, and France to strengthen our Pacific maritime surveillance partnership, which puts a particular focus on fisheries.

- (2) And that brings me to the second area I want to mention. Our work to reduce the number of unexploded bombs, shells, and other ordnance left over from World War Two that unfortunately still litter the lands and waters of the region. We do recognize it is a crucial matter for security and prosperity. Decaying ordnance leaks chemicals that pollute the water and soil. In recent years, the United States Government has committed more than \$2 million in aid to the Pacific islands to deal with these problems. Today, we will seek to provide an additional \$3.5 million in funding and training for these efforts. We want to promote a more integrated approach to assessing unexploded ordnance and training local teams to identify and remove it safely.
- (3) The United States did not leave the Pacific, instead we focused on making sure that the region continued to be safe and secure so that you could become more prosperous. We're going to work together to ensure that all the people of the Pacific islands, in the 21st century.

Refer to the article: Commemorating U.S. Peace and Security Partnerships in the Pacific
<http://www.state.gov/secretary/rm/2012/08/197262.htm>

【Related article 1】

“Australian expert: Confrontation between U.S. and China in South Pacific” (The Interpreter, Lowy Institute for International Policy, August 22, 2012)

Annmaree O’Keeffe, a research fellow at the Australian think tank Lowy Institute for International Policy, contributed an article titled “US and China meet in South Pacific” to the institute’s blog dated the 22nd. In this article, O’keeffe showed the points of the article on confrontation between the United States and China in the South Pacific as follows.

- (1) While South Pacific engagement may be a sideshow to the bigger diplomatic, economic and geo-strategic interactions being played out between China and the United States in Asia and the northern Pacific, the United States has recognised that south of the equator should not be overlooked. In line with Washington’s re-balancing towards Asia and the Pacific, Hillary Clinton told South Pacific leaders at the 2009 UN General Assembly that USAID would renew its commitment to the Pacific. Clinton announced during a keynote address at the East-West Center in Hawaii that USAID would open an office in Fiji, with a US\$21 million budget for climate change activities. This would mark the return of USAID to the region after a 16-year absence. However, just one month later, during Clinton’s visit to PNG, a change in location of the office from Fiji to PNG was announced. The office was opened in Port Moresby in October 2011. Comments by Clinton earlier in 2012 provided more context. She made it clear in her testimony to the Senate Foreign Relations Committee that cuts to the foreign affairs budget, which includes aid, would hit U.S. efforts

to compete with China's rising power. She cited both PNG and Fiji as countries in the Pacific where China had increased its influence.

- (2) Pacific island countries, once distant from the centres of economic power, now find themselves in the backyard of the world's ascendant economic power, China. The rise in China's influence across the region is evident on a number of fronts, notably its donor activities. While it is difficult to ascertain with any certainty the size of China's aid program because of a lack of comprehensive public information, a report released in 2011 by the Lowy Institute estimated that China's soft loans to the region had increased from US\$23 million in 2005 to over US\$183 million in 2009. Based on the Lowy Institute's findings, China appeared to be the third-largest donor to the region in 2009 after Australia and the United States. Aside from the aid relationship, the region's trade with China has also grown steadily over the past 10 years.

Refer to the article: US and China meet in South Pacific

<http://www.lowyinterpreter.org/post/2012/08/22/US-and-China-meet-in-South-Pacific.aspx>

The report released in 2011 by the Lowy Institute is available following URL:

http://lowyinstitute.cachefly.net/files/pubfiles/Hanson_and_Fifita%2C_China_in_the_Pacific_web.pdf

【Related article 2】

“Australian expert's comment: China's increasing presence in South Pacific and its strategic influence” (The Strategist, The Australian Strategic Policy Institute Blog, August 30, 2012)

Joanne Wallis, a lecturer of the Australian National University, contributed an article titled “The dragon in our backyard: the strategic consequences of China's increased presence in the South Pacific” to The Australian Strategic Policy Institute Blog dated the 30th. She pointed out that China's increasing presence in the South Pacific could conflict with Australia's interest, and emphasized the need that Australia responds to China's increasing presence. Below is the summary of the article.

- (1) U.S. Secretary of State Hilary Clinton's decision to attend the Pacific Islands Forum meeting in the Cook Islands signals the growing strategic importance of the South Pacific. Clinton's attendance may also be a response to China's increasing presence in the region. The consequences of China's advance in our immediate neighbourhood are most significant for Australia, which is facing a situation where it may, for the first time in more than 70 years, find itself with a power with interests not necessary aligned to its own in its backyard.
- (2) China has been active in the South Pacific for four decades, mostly driven by its competition with Taiwan for diplomatic recognition. While this competition remains important, China now appears to have strategic interests in demonstrating its ability to project global power via its increasing influence in the region. And, regardless of their small size, each independent South Pacific state has a vote in international organisations,

which China can seek to persuade them to use in pursuit of its interests. China's most significant strategic interest in the South Pacific is military access, the most important aspect of which is signals intelligence monitoring. For example, the Chinese fishing fleet operating out of Fiji is also said to provide cover for signals intelligence monitoring, particularly of United States' bases in Micronesia. China is also seeking naval access to the region's ports and exclusive economic zones, engages in military assistance programs, and is negotiating access to facilities for maintenance and resupply purposes.

- (3) China's growing military presence may pose several risks to Australia. As China becomes a more assertive international actor it could respond militarily if members of the Chinese diaspora are threatened, as they were during the riots in Solomon Islands and Tonga in 2006. Questions then arise about what would happen if Australia also responded to such an eventuality: would the Chinese and Australians cooperate? Or could the situation lead to a stand-off? The most serious risk is that Australia's near neighbours could come to owe allegiance to a power with interests that do not necessarily align with those of Australia. Indeed, the 2009 Defence White Paper noted that Australia has a strategic interest in ensuring that Indonesia and South Pacific states 'are not a source of threat to Australia, and that no major military power that could challenge our control of the air and sea approaches to Australia, has access to bases in our neighbourhood from which to project force against us'. Given the extensive nature of Chinese involvement, it is not beyond the realms of possibility to imagine such a scenario. The vulnerability of Australia to a major power establishing a foothold in the region was graphically illustrated during World War II, when the Japanese managed to penetrate as far as Papua New Guinea.
- (4) Australia (often in cooperation with New Zealand and the United States) has belatedly responded to China's increased presence in the South Pacific. Australia has increased its diplomacy in the region, on top of its already extensive aid, military, policing and governance assistance. Most positively, Australia announced in July that it is restoring full diplomatic relations with Fiji, and easing sanctions it imposed on the military regime. Given the strategic issues at stake, it is vital that Australia continues to devote its energies to this issue in similarly positive ways.

Refer to the article: The dragon in our backyard: the strategic consequences of China's increased presence in the South Pacific

<http://www.aspistrategist.org.au/the-dragon-in-our-backyard-the-strategic-consequences-of-chinas-increased-presence-in-the-south-pacific/>

【Related article 3】

“China, New Zealand and the Cook Islands cooperate in infrastructure project” (Xinhua, August 31, 2012)

China, New Zealand and the Cook Islands announced on the 30th a new partnership that will deliver an improved water mains system to the people of Rarotonga, the Cook Islands' main island. It is the first time China and New Zealand have worked together on a major development

initiative in the Pacific. “This major infrastructure project will improve water quality and address health and sanitation issues in Rarotonga,” New Zealand Prime Minister John Key said. The total cost of the new project is approximately 60 million NZ dollars (48.01 million U.S. dollars). New Zealand would provide 15 million NZ dollars to assist the Cook Islands government, while China would give about 32 million NZ dollars by way of a loan.

Refer to the article: China-NZ joint Pacific aid project targets water in Cook Islands
http://news.xinhuanet.com/english/china/2012-08/31/c_131820178.htm

1.5 Shipping, Shipbuilding and Harbors

August 1 “The cross-strait traffic in the Straits of Malacca and Singapore becomes impediment to safe navigation” (RSIS Commentaries, Aug 1, 2012)

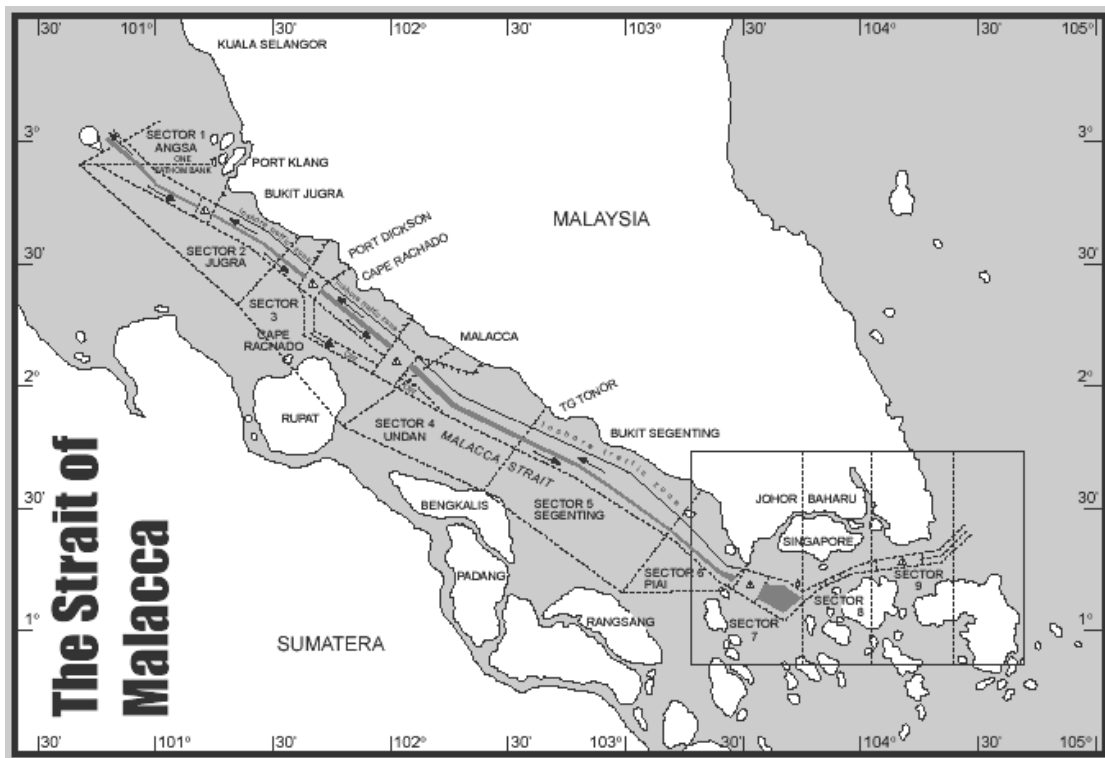
Dr. Mohd Hazmi bin Mohd Rusli, a senior lecturer at the Faculty of Syariah & Law, Universiti Sains Islam Malaysia, contributed an article titled “The Cross-Strait Traffic in the Straits of Malacca and Singapore: An Impediment to Safe Navigation?” to *RSIS Commentaries* dated the 1st, saying that the increased traffic of the cross-strait traffic in the Straits of Malacca and Singapore becomes an impediment to safe navigation. Below is the summary of the article.

- (1) As most cross-strait ships are vessels of less than 300 Gross Registered Tonnage (GRT), it is not compulsory for these ships to follow the safety navigation rules enforced in these waterways. Cross-strait traffic in the Strait of Malacca includes barter trade vessels, fishing boats and passenger ferries. Most of this cross-strait vessels call at the Malaysian ports of Port Dickson, Malacca, Muar and Kukup, all located at the south-western end of the Malay Peninsula. These ports have connections with various Indonesian ports on the opposite shore, including Pelabuhan Belawan, Tanjung Balai, Dumai and Bengkalis in Sumatra. Ferries and barter trade vessels also criss-cross the Strait of Singapore, connecting Indonesian ports of Batam and Tanjung Pinang to coastal ports of Tanah Merah and Pasir Panjang in Singapore as well as the ports of Tanjung Pengelih and Stulang Laut in Malaysia.
- (2) It has been reported that the regional cross-strait traffic in the Strait of Malacca is decreasing while barter traffic in the Strait of Malacca has decreased from 25, 000 vessels in 2004 to 10, 000 in 2009. However, the volume of transiting traffic has been on the rise; from 62- 621 transits in 2005 to 74- 133 transits in 2010. Meanwhile, the transiting traffic in the Strait of Malacca are predicted to increase by 9% each year. Therefore, the safety of transiting ships in the Strait of Malacca could be compromised by the existence of cross-strait traffic, as most of the cross-strait traffic routes overlap with the Traffic Separation Scheme (TSS) in both the Straits of Malacca and Singapore. High risk areas include Undan Zone, Segenting Zone and Piai Zone, all of which are located at the southern portion of the Strait of Malacca which is busy with cross-strait traffic (Please see the map).

(3) To date, there have never been any rules established in regulating cross-strait traffic. In addition, the littoral States of Malaysia, Singapore and Indonesia have yet to establish a proper cross-strait traffic route within the Straits of Malacca and Singapore. Hence to avoid future accidents, it would assist if the three littoral States of Malaysia, Singapore and Indonesia could devise solutions to this problem by designating proper lanes for cross-strait traffic in these busy waterways. In enhancing cross-strait traffic safety of navigation, proposals have been put forward to improve communications between barter boats and transiting vessels. This could be realised by equipping vessels with Automatic Identification System (AIS) type-B transponders which would allow them to be tracked by the Vessel Traffic Management System. Even though there has never been a major maritime disaster involving a collision between cross-strait traffic and transiting traffic, cross-strait traffic is a hazard that must be considered in improving safety for the navigation of vessels transiting the Straits of Malacca and Singapore.

Refer to the article: The Cross-Strait Traffic in the Straits of Malacca and Singapore: An Impediment to Safe Navigation?

<http://www.rsis.edu.sg/publications/Perspective/RSIS1412012.pdf>



http://homepage2.nifty.com/go_tokyo/308f_lif.htmhttp://homepage2.nifty.com/go_tokyo/308f_lif.htm

August 26 “India gives Iran suggestion of investment into Chabahar port” (The Times of India, August 26, 2012)

The Indian newspaper *The Times of India* dated the 26th, India has given Iran a suggestion of a total investment of Rs 300-400 crore into Iran’s Chabahar port. India’s role would be crucial in the second phase of the port’s expansion and New Delhi is looking at Chabahar as a gateway to Central Asia, bypassing Pakistan. Indian shipping ministry sources said that two teams of experts — constituted by Indian Ports Association (IPA) — had visited the port and identified the scope for investment. “Almost 70% work in the first phase has been completed. Iran has invested about \$340 million in the venture. Our role would be in the second phase. We have submitted the three investment options to the ministry of external affairs,” said a shipping ministry official. One of the three investment options is to construct and operate a multi-purpose cargo berth at Chabahar with an investment of about \$20 million, sources said. The second option is to build a container terminal at an estimated investment of \$30 million. And, the third plan is to develop yet another bigger container terminal at a cost of about \$65 million. India’s interest in the Iranian port is not only to get a direct access to Central Asia, but also to facilitate import of minerals from Afghanistan via Chabahar. Iran has plans to expand the port in five phases and to ramp up its capacity to 20 million tonnes by 2020.

Refer to the article: India eyeing Iran’s Chabahar port for direct access to Central Asia

http://articles.timesofindia.indiatimes.com/2012-08-26/india/33401506_1_direct-access-iran-s-chabahar-indian-ports-association



Source: <http://yaleglobal.yale.edu/sites/default/files/images/2011/01/gwadarMapBIG.jpg>

2. Intelligence Assessment

The Armitage Report III: Its Outline and Analysis

Recently overheating the territorial disputes between Japan and its neighboring countries, the diplomatic relations are deteriorating. Since the visit to Kunashiri by Prime Minister Medvedev on July 3, 2012, provocations had continued such as Lee Myung-bak's visit to Takeshima on August 11 and the landing on Uotsurijima by activists from Hong Kong on August 15. It seems that Japan began to put its whole energy into taking actions such as the independent legal challenge to ICJ and nationalizing the Senkaku Islands. As followed with the emergence of new leaders in North Korea and Russia, Chinese regime change comes in November and presidential elections are scheduled for November in the U.S. and December in South Korea. Therefore while it is highly likely that new international relations will be developed by new leaders in 2013, what kinds of ways Japan should take, centering on the U.S.-Japan Alliance? In that circumstance, the CSIS report titled the U.S.-Japan Alliance –ANCHORING STABILITY IN ASIA– written by Richard Armitage and Joseph Nye was published¹. I would like to translate selected passages from this report and to consider how the alliance should be developed. In addition, this paper would be my personal view and I would like to comment on it not being a view of the organization to which the writer belongs.

1. The outline

The easy summary is that Armitage and Nye explain a need to build up an equal alliance with their full cooperation and strong bond and propose an enhancement for defense cooperation such as interoperability to deal with the rise of China and global terrorism. They also strongly call for Japan to extend the legal latitude of peacekeepers to protect civilians and other international peacekeepers, to revise its prohibition of collective self-defense and to promote overseas dispatching of JSDF. Moreover they insist that Japan should confront the historical issues that continue to complicate the relation with South Korea for the trilateral alliance of U.S.-Japan-South Korea. Other part, as followed that they recommend a promotion of U.S.-Japan cooperation such as “Energy Alliance” with nuclear energy, natural gas and methane hydrates, the strong requirement is given to Japan that the U.S. needs Japan's participation to TTP and its FTA conclusion with the U.S.

2. The contents

(1) Introduction

According to them, this report was released from the following backgrounds.

¹ Richard L. Armitage and Joseph S. Nye, “The U.S.-Japan Alliance ANCHORING STABILITY IN ASIA”, August 15 2012, Center for Strategic and International Studies (CSIS). This paper is available at following URL; http://csis.org/files/publication/120810_Armitage_USJapanAlliance_Web.pdf

Today in facing concerns such as the rise of China, the nuclear issue of North Korea, global terrorism and proliferation of weapons of mass destruction, we rush into the nature which security environment is increasingly complicated. To deal with this, an “equal” alliance with strong bond is essential and the both of the U.S. and Japan need to be tier-one nations². The tier-one nations from American view have significant economic weigh, capable military forces, global vision, and demonstrated leadership on international concerns and the U.S. have no doubt of its continuing tier-one status. But Japan has a decision to be made and it depends on Japan being a full partner on the world stage³.

Today in the fact that Japan faces many challenges such as its political instability, economic stagnation and shortage of labor population caused by declining birthrate, a pessimistic view by younger generations has become stronger. But we are sure that Japan is fully capable of remaining a tier-one nation because it is not only the third largest economy, but also the second-largest contributor to the United Nations and IMF. In addition to the fact that Japan has international respect and more openness to free trade, its progresses on immigration and women’s social participation possibly add significantly to Japan’s GDP growth. Moreover it is geopolitically located as a strategic balancer to stabilize Asia-Pacific region and the U.S. need “strong Japan” no less than Japan needs strong United States⁴. Japan can continue to be an Asian leader in remaining standing shoulder-to-shoulder with the U.S.

In sum, as seen in the Armitage reports which were released in 2000 and 2007, the U.S. proposes an expansion the scope of Japan’s defense role and responsibility. But compared with last two reports, this shows the U.S.’s deeper intention, pushing Japan to choose tire-one nation or tier-two and emphasizing the importance of U.S.-Japan-ROK Relations.

(2) U.S-Japan Cooperation on Energy Security

In the part of nuclear energy, first, they appreciated Japan’s decision to re-operate the nuclear power plant, saying that “cautious resumption of nuclear generation under such condition is the right and responsible step in our view”⁵, and pointed out the challenges Japan faces such as the increase of CO2 emission and the over-dependence to oil, coal and natural gas without restart of nuclear power plants⁶. And taking on board lessons from Fukushima, they showed economic and environmental merits depending on nuclear energy under strict control and emphasized the importance of U.S.-Japan cooperation with nuclear research and exploitation⁷.

Secondly, in the part of natural gas, the discoveries of large new shale gas reserves in the lower 48 states, which made the United States the world’s fastest growing natural gas producer,

² Ibid., p.1

³ In the p.1, they describe that “If tier-two nation status is good enough for the Japanese people and their government, this report will not be interest”. This reveals U.S.’s expectation and real intention to Japan.

⁴ Ibid.,p.2

⁵ Ibid.

⁶ Ibid.,pp.2-3

⁷ In the p.3, they describe that “Japan and the United States have common political and commercial interests in promoting safe and reliable civilian nuclear power domestically and internationally”.

are described⁸. Armitage and Nay show U.S.'s great expectation for being able to export liquefied natural gas (LNG) from the U.S. Gulf Coast to Asia with lower shipping costs, accompanying with the planned expansion of the Panama Canal in 2014. And they said that "as part of the security relationship, the United States and Japan should be natural resource allies as well as military allies, this area of cooperation remains insufficiently developed"⁹.

Thirdly, they introduce great possibility to Methane Hydrates from long-term¹⁰. It is estimated that Methane Hydrates deposits off south-central Japan at 10 years' worth of domestic consumption of natural gas and they emphasized that "the U.S. and Japan should promote collaborative research and development in this area"¹¹.

Fourthly, they discuss about how to secure oil and natural gas¹². In the probability that the world economy will run primarily on fossil fuels, oil will retain a near monopoly in transportation. While rising oil production in Canada, the United States and Brazil make the Americas less dependent in imports from other regions. In the next 40 years, they noted that "the next major shift in the global oil market is likely to be a massive surge in flows of oil and gas from Middle East producers to increasingly wealthy Asian consumers". Additionally, as the stability of sea-lane in that area is vital for the both of international economy and Japan, they concluded that "Tokyo's increased participation in multilateral efforts to combat piracy, protect Persian Gulf shipping, confront threats to regional peace, such as those currently posed by Iran's nuclear program and secure sea-lanes will be needed and welcome"¹³.

(3) U.S.-Japan Cooperation on Economics and Trade

According to the report, it is highly clear that the U.S. has a full of expectation for Japan's development at this area. In the situation that Japan has been slow to enter TTP and conclude an FTA with the U.S.¹⁴, Armitage and Nay insisted that "it is in Japan's economic security interests to cease delaying entry into negotiations. Furthermore, it is incongruous that Japan does not have an FTA with its most important ally, and we strongly encourage Japan to enter negotiations"¹⁵. In practice, though Japan already has an FTA with Mexico and showed its intention to negotiate an FTA with Canada, these countries are U.S.'s most important trading partners and participants in the world's largest FTA, the North American Free Trade Agreement. And it is also noted that "A Comprehensive Economic, Energy, and Security Agreement (CEESA) joining the United States, Japan, Canada, and Mexico would substantially broaden and deepen the U.S.-Japan economic, Security, and strategic energy relationships"¹⁶.

They continuously refer to Japan's decline of farmer population and its aging society, and said

⁸ Ibid.,pp.3-4

⁹ Ibid.,p.4

¹⁰ Ibid.,p.5

¹¹ In the p.5, they describe that "we recommend that the United States and Japan accelerate progress on researching a developing cost-effective and environmentally responsible production of methane hydrates".

¹² Ibid.,p.6

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

that “by signing onto CEESA, Japan would become fundamentally integrated in the fastest growing part of the advanced industrialized world, support the bridge-building between advanced and emerging economies embodied by TPP, and spur global economic growth by creating the world’s largest free trade zone”¹⁷.

(4) Relations with neighbors

In this chapter, Armitage and Nay describe the U.S.-Japan-ROK relations¹⁸. They noted that this three democratic allies that share common values and strategic interests should promote more frequent cooperation including not only security but also nuclear energy and ODA¹⁹. But to realize its full potential, they emphasized that “it is essential for Japan to confront the historical issues that continue to complicate relations with ROK²⁰, and Tokyo and Seoul reexamine their bilateral ties through a realpolitik lens against the rise of China and North Korea’s pursuit of nuclear weapons”²¹.

Secondly, facing the China’s military buildup and maritime assertiveness, it is described that “how U.S.-Japan alliance should respond it and what kinds of internal problems China is virtually confronting”²². According to the report, Armitage and Nay confirm the U.S.-Japan alliance’s contribution for having provided a stable, predictable, and secure environment within which China has flourished, and strongly urge Japan to develop capabilities and policies adaptable to China’s trajectory and a broader range of possible futures with India and ASEAN. Moreover, contrary to the China’s increasing presence, they described that “China’s leaders have to tackle six demons: energy constraints, calamitous environmental degradation, widening income inequality among people and provinces, restive ethnic minorities in Xinjiang and Tibet, and endemic official corruption”. But in any case, they emphasized that “only one thing is certain: the alliance must develop capabilities policies adaptable to China’s trajectory and abroad range of possible futures”²³.

Thirdly, the role of U.S.-Japan alliance on human rights is described²⁴. According to the report, Armitage and Nay asserted that “Japan and the United States share a commitment to democracy, the rule of law, open societies, human rights, human security, and free and open markets and we pledge to work together to promote the rule of law, protect human rights, and enhance coordination on peacekeeping, post-conflict stabilization, development assistance, organized crime and narcotics trafficking, and infectious diseases”. Especially in advancing democratic reforms in Myanmar, they declared “the United States and Japan should take an advantage of the economic leverage provided by private-sector investment, foreign assistance, and loans from international financial institution to advance good governance, rule of law, and adherence to

¹⁷ Ibid.,p.7

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.,p.8

²¹ Ibid.

²² Ibid.,pp.8-10

²³ Ibid.,pp.8-9

²⁴ Ibid.,p.10

international norms of human rights”. And as well as Myanmar, they also refer to Pyongyang’s human rights abuses and Japanese citizens abducted by North Korea and recommended that “Japan and the United States cooperate closely on this issue within the context of a broader strategy effective engagement on human rights and other issues with North Korea”.

3. Toward a New Security Strategy

Facing the China’s increasing presence, this chapter shows Japan’s measures to take action²⁵. Armitage and Nay said that “ Tokyo would be well-served to continue its engagement with regional forums, namely ASEAN, the ASEAN Regional Forum(ARF),the Asia-Pacific Economic Cooperation(APEC), as well as with democratic partners in the region, especially India, Australia, the Philippines, and Taiwan”, and urged that “Japan should continue collaboration with regional partners to promote a peaceful and lawful maritime environment, to ensure unhindered sea-base trade, and to promote overall economic and security well-being”. Moreover, they propose Japan’s positive defense roles on the South China Sea and the Persian Gulf such as Japan’s spontaneous action to send minesweepers to the Persian Gulf and enhancing U.S.-Japan cooperation for more robust, shared, and interoperable Intelligence, Surveillance, and Reconnaissance (ISR) capabilities and operations. Yet, according to them, while the U.S. Navy and Air force have been making progress for cooperation with Japan Marine Self-Defense Force and Air-Defense Force, the U.S. Army/Marine Corps cooperation with Japan Ground Self-Defense Force has been limited due to a contrast in focus. One of the ways they exemplify in the report to enhance interoperability is that “the United States and Japan should make full use of new training ranges in Guam and the Commonwealth of the Northern Mariana Islands (CNMI), as well as the new shared facility in Darwin, Australia”.

Discussed in the last two Armitage Reports, this report repeatedly introduces the Japan’s collective self-defense²⁶. According to the report, even though the U.S. and Japan has developed its cooperation such as Operation Tomodachi at the time of 3.11 Eastern Japan Earthquake, Armitage and Nay asserted that “prohibition of the collective self-defense is an impediment to the alliance. It would be a responsible authorization to allow our forces to respond in full cooperation throughout the security spectrum of peacetime, tension, crisis, and war”²⁷. Furthermore, they refer to Japan’s more cooperation to extended deterrence and peacekeeping operations, recommending that “the United States and Japan should reinvigorate the current extended deterrence dialogue to foster mutual confidence in U.S. extended deterrence strategies and capabilities” and “Japan extend the legal latitude given to her international peacekeeping forces to protect civilians, as well as to protect other international peacekeepers, with force, if necessary”.

Other part, the cooperation on defense industry and cyber security is also described²⁸. By

²⁵ Ibid.,pp.11-12

²⁶ Ibid.,pp.14-15

²⁷ Ibid.,p.15

²⁸ Ibid.,pp.13-14

Japan's revision of the "Three Principles on Arms Exports", it is noted that "the United States should take advantage of the policy change and encourage the Japanese defense industry to export technology and import its electronic, nanotech, composite, other high-value components". That can vitalize U.S.-Japan trade on defense industry and they insist that "the United States should encourage arms exports and technology cooperation between Tokyo and other allies". Moreover, as the cases of cyber attacks and cyber hacking have increased, Japan lacks of managing a cyber command while the U.S. has fully equipped alongside the National Security Agency (NSA) and they suggested that "to alleviate this disparity, the United States and Japan should establish a Joint Cyber Security Center for research and implementation of common information assurance standards".

4. Conclusion

This report reveals the U.S.'s real intention and political pressure to Japan, as stipulated by the sentences such as 'Japan is at a critical juncture', "If tier-two nation statue is good enough for the Japanese people and their government, this report will not be interest" and "Prohibition of collective self-defense is an impediment to the alliance". Today the security environment in East Asia has already been changing, affected by the rise of China and its hegemonic inclination to neighboring seas. Japan and the U.S. need to take measures to deal with it. In this report, they emphasize a promotion of U.S.-Japan cooperation on nuclear energy, natural gas, methane hydrate, Japan's participation to TTP and its FTA conclusion with the U.S. Even in the stagnant economic situation, Japan needs to be an economic superpower to keep the U.S. efficient player in Asia-Pacific. While it is also inevitable for the U.S. to decrease its military expenditure, they propose an "Energy Alliance" for mutual economic stability and maintaining the alliance. But in any cases, this alliance is the base not only for Japan's defense but also the peace of Asia-Pacific. As Armitage and Nay indicate, today Japan may be at the crossroad where they have to choose a way for what it wants to be. While this report is described by the two Americans and their requirement does not fully match what Japan wants, it tells Japan to be a normal country which does not prohibit the use of collective self-defense right and has a concept of risk sharing. It is the time for Japan to consider how they want to be.

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