



**Statement before the U.S. House Armed Services  
Subcommittee on Seapower and Projection Forces and the  
House Foreign Affairs Subcommittee on the Asia Pacific**

***“PEOPLE’S REPUBLIC OF CHINA  
MARITIME DISPUTES”***

A Statement by

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Center for Strategic and International Studies (CSIS)

**January 14, 2014**

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# **People's Republic of China Maritime Disputes**

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Mr. Chairmen, Mr. Ranking Members, Members of the Subcommittees, thank you for this opportunity to offer my thoughts on China's maritime disputes.

Disputes in the waters and airspace off China's eastern coastline have fueled increased tensions in recent years between China and its neighbors as well as between China and the United States. Nationalism and power competition are the main drivers of these disputes, with resource rivalry an important, but secondary factor. How Beijing manages these disputes is widely seen as a litmus test of China's broader strategic intentions. How the US responds to China's growing propensity to use coercion, bullying and salami-slicing tactics to secure its maritime interests is increasingly viewed as the key measure of success of the US rebalance to Asia.

China's maritime disputes fall into three discrete categories. The first type of dispute centers on territorial sovereignty and resources in the surrounding water and sea bed. This includes the land features in the South China Sea (claimed by China, the Philippines, Vietnam, Malaysia, Brunei, and Taiwan) and their rightful maritime zones under the 1982 UN Convention of the Law of the Sea (UNCLOS). It also involves the East China Sea dispute between China and Japan over the Senkaku/Diaoyu islands and the delimitation of the two countries' maritime borders.

The second type of dispute concerns the operations of foreign naval vessels within China's 200nm Exclusive Economic Zone (EEZ), including US Navy ISR activities along China's coastline, which derives from differing interpretations of permissible conduct within EEZs, as defined by UNCLOS.

The third category of dispute—perhaps more accurately described as a competition—is also between the US and China, but entails a larger area and is more strategic, extending the entire space within the first island chain that stretches from the Japanese home islands in the northeast through the Ryukyu islands and Taiwan to the Philippines in the southeast. The point of contention is US insistence on retaining unfettered access to and freedom of maneuver within the

Western Pacific, which China is challenging through the deployment of anti-access/area denial (A2/AD) weapons systems along its maritime periphery.

The dispute over territory and maritime jurisdiction is a major source of rising tensions and instability as regional nations take tit-for-tat measures to assert their claims. The risk of a clash, with the attendant potential for escalation, is highest between China and Japan in the East China Sea. The US could become entangled in such a Sino-Japanese conflict as a result of its obligations under the US-Japan Mutual Security Treaty to defend territories under Japanese administrative control. China's recent declaration of an East China Sea air defense identification zone (ADIZ) that overlaps substantially with Japan's ADIZ and covers the disputed islands significantly increases the risk of accidents and miscalculation.

In China's EEZ, there is a palpable danger of an inadvertent incident between US and Chinese military forces. The collision of a Chinese fighter jet and a US surveillance plane in 2001 that resulted in the death of the Chinese pilot and engendered a major US-China political crisis could reoccur. China's harassment of US navy vessels such as the USS *Impeccable* in 2009 and the USS *Cowpens* in 2013 demonstrate the potential for an armed clash. Even if defused quickly, a US-China military incident would frighten the region, and set back US and Chinese efforts to establish a new model of major power relations and build greater trust and predictability.

The US-China strategic rivalry within the first island chain, though unlikely to result in an accidental clash, is worrying because it is emblematic of the shifting balance of power in the region. As China's military capabilities grow and challenge US military supremacy in the Western Pacific, many countries in the region feel increasingly vulnerable and anxious. Doubts about US persisting capability and will to safeguard peace and stability in the region are rampant. Concerns about Chinese actions that undermine the prevailing rules-based order are also running high.

This testimony will focus on the territorial disputes in the South and East China Seas and the dispute with the US over permissible activities in a coastal state's EEZ. An effective response to these maritime disputes involving China requires an understanding of China's strategy and security perspective as well as the region's responses to China's maritime assertiveness. These are discussed below.

### **China's "Salami Slicing" Strategy**

In all of the above disputes, China is pursuing a "salami slicing" strategy. Through a steady progression of small steps, none of which by itself is a *casus belli*, Beijing seeks to gradually change the status quo in its favor. In the South China and East China seas, China's episodic encroachments are designed to compel other claimants to stop trampling on Chinese sovereignty and to advance China's territorial and maritime claims.

Sometimes, China's actions are unilateral and unprovoked, such as China's annual fishing ban, its assertion of expansive fishing rights in the South China Sea, and its decision to begin incursions in the 12nm territorial waters of the Senkaku/Diaoyu islands in December 2008. Other times, China's moves are in response to perceived provocations by other countries, described by some experts as "reactive assertiveness." In such cases, Beijing has deliberately escalated the situation, seeking to create a new status quo in its favor. In the most egregious example of such behavior in the South China Sea, the standoff between vessels from China and the Philippines, which was triggered in April 2102 by Manila's dispatching a frigate to arrest Chinese fishermen engaged in poaching at Scarborough Shoal, ended with China occupying the Shoal in violation of an oral understanding reached with Manila to withdraw all vessels from the area. This constituted the first instance of a change the status quo of a land feature in the South China Sea since 1995 when China seized control of Mischief Reef. Other examples include several cases of Chinese vessels cutting the cables of Vietnamese seismic survey boats in 2010 and 2011, and China's announcement of exploration blocks located within Vietnam's 200nm EEZ in June 2012.

Chinese "salami slicing" to alter the status quo to its advantage has also been evident in islands dispute in the East China Sea. In the aftermath of the purchase of three of the disputed Senkaku/Diaoyu islands by the government in Tokyo in September 2012, Beijing implemented the following policy initiatives in quick succession: 1) issued an updated claim to its territorial baselines in the East China Sea; 2) filed a claim with the United Nations of an extended continental shelf beneath the East China Sea that extends all the way to the Okinawa Trough; 3) declared names and coordinates for the 71 features it deemed to be included in the grouping of islands and "affiliated islets;" and 4) released the names of 26 geographic features on the islands, including peaks, creeks, and ridges. These swift moves were obviously pre-planned actions aimed at bolstering Chinese claims, which China claimed were justified by Japan's "provocation."

China also quickly began regular patrols in the contiguous waters and the 12 mile territorial waters of the disputed Senkaku/Diaoyu Islands. Prior to the purchase of the islands by the Japanese government, China had made incursions into the disputed islands' territorial waters four times. The first incursion took place in December 2008 and was itself arguably an action designed to change the status quo in China's favor. In December 2012, China intentionally once again escalated the dispute by conducting its first ever air patrol over the Senkaku/Diaoyu islands. These actions are all aimed at challenging Japan's administrative control over the islands and asserting China's own territorial sovereignty and maritime jurisdictional claims.

China's announcement of an East China Sea ADIZ in November 2013 is another example of its "salami slicing" strategy. Chinese sources say that the decision was justified internally as a reasonable response to Japan's threats to shoot down Chinese drones that pose a threat to

Japanese air space.<sup>1</sup> Beijing may believe that by creating an ADIZ it has established the basis for challenging and, if necessary, taking action against Japanese aircraft operating in this zone. The ADIZ also gives Beijing another rationale for protesting allied military activity in the waters and air space over its EEZ. The move thus advances China's goal of altering the status quo to its advantage in its territorial dispute with Japan as well as in its dispute over acceptable military operations in its EEZ with the United States.

Another instance of Chinese efforts to restrict free use of the maritime commons took place in the South China Sea in December 2013 when a PLA Navy vessel ordered the USS *Cowpens* to stop and then crossed its bow at a distance of 100 yards, forcing the *Cowpens* to maneuver to avoid a collision. The *Cowpens* was apparently shadowing China's carrier *Liaoning* at a distance to observe an exercise. China claimed that the US ship had come within 30 miles of the fleet's "inner defense layer" and was operating in China's waters. From the US perspective, the incident took place in international waters and China's actions posed a challenge to freedom of navigation.

As China's economic and strategic interests, as well as naval capabilities, extend ever further from its shores, it is possible that Beijing will change its position on activities that are permissible in a coastal state's EEZ. If they continue to hold to their current interpretation, Chinese military ships conducting surveillance will not be able to operate in more than one-third of the surface of the world's ocean space. So far, however, hopes that China would soon alter its reading of UNCLOS have been dashed. In the past two years, China's navy has begun to conduct missions within the EEZs off Guam and Hawaii, but it has continued to insist that US ISR operations in China's EEZ are unlawful.

### **China's Security Perspective and Recent Policies**

China's policies toward maritime disputes must be understood in the broader context of Beijing's perspective on the security challenges it faces. China's leader Xi Jinping told Vice President Biden when they met in Beijing in early December that "the world is undergoing complicated changes." Deeper insight into this phrase can be found in authoritative Chinese documents such as China's Defense White Paper, which was last released in April 2013.

That document reaffirmed China's assessment that the international situation is expected to remain sufficiently benign to allow China to continue to focus on domestic development for the duration of the "period of strategic opportunity" extending through 2020. But it also pointed to "signs of increasing hegemonism, power politics, and neo-interventionism" and other sources of instability. Among the "multiple and complicated security threats and challenges" that China

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<sup>1</sup> Douglas H. Paal, "Contradictions in China's Foreign Policy," Carnegie Endowment, December 13, 2013, <http://carnegieendowment.org/2013/12/13/contradictions-in-china-s-foreign-policy/gw4w>.

faces, the White Paper identified the US rebalance to Asia, noting that “Some country has strengthened its Asia-Pacific military alliances, expanded its military presence in the region, and frequently makes the situation there tenser.”<sup>2</sup>

Such statements suggest that China’s leadership views the country’s security environment as under significant stress, especially on its periphery. Perceived challenges emanate not only from renewed US attention to the region, but also from the increased willingness of some of China’s neighbors to confront Beijing, which many Chinese see as linked to the US re-balance.

A new sense of urgency has prevailed in Beijing to more proactively counter the threats it faces and shape a more positive security environment along its borders. Recent policy enunciations to this end include reassertions of China’s determination to protect its maritime rights and interests and diplomatic outreach to members of ASEAN. Steps to increase the efficiency of battle-readiness of the PLA are also underway with the announcement at the Third Plenum that the Chinese military will undergo potentially sweeping structural reform. Major goals of the reforms include fully bringing China’s military into the information age, revamping the command system for joint combat, and reforming the leadership structure.<sup>3</sup>

Strengthening China’s maritime power is a top priority in accordance with the pronouncement at the 18<sup>th</sup> Party Congress that China seeks to become a major sea power. Since the middle of the 19<sup>th</sup> century, China’s primary security threats have come from the sea. Chinese strategists have embraced the “sea power” theory of Admiral Alfred Thayer Mahan, arguing that the country must build up its sea power for the sake of its economic growth, maritime interest, and national security.

This ambition was reiterated by Xi Jinping at a collective study session held by the Politburo last July. At his speech at the meeting, Xi insisted that China “must make good preparations for coping with all kinds of complicated situations, improve the ability to safeguard maritime rights and interests, and resolutely safeguard our country’s maritime rights interests.” Alluding to China’s territorial disputes, he emphasized the need to safeguard “national sovereignty” and “core interests.”<sup>4</sup>

Chinese leaders have also put forward a positive agenda to improve ties with its neighbors, especially in Southeast Asia, as part of its efforts to more proactively shape the security environment on its periphery. The renewal of China’s “good-neighbor policy” was first signaled

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<sup>2</sup> “The Diversified Employment of China’s Armed Force,” China’s Defense White Paper, Information Office of the State Council, April 2013, [http://news.xinhuanet.com/english/china/2013-04/16/c\\_132312681.htm](http://news.xinhuanet.com/english/china/2013-04/16/c_132312681.htm).

<sup>3</sup> Shannon Tiezzi, “China Revamping its Military to Increase Battle-Readiness,” *The Diplomat*, November 22, 2013. <http://thediplomat.com/2013/11/china-revamping-its-military-to-increase-battle-readiness>.

<sup>4</sup> “Xi Jinping’s Important Speech to the Periphery Diplomacy Work Conference,” Xinhua, October 25, 2013 (Chinese), [http://news.xinhuanet.com/politics/2013-10/25/c\\_117878897.htm](http://news.xinhuanet.com/politics/2013-10/25/c_117878897.htm).

by Xi Jinping at the July Politburo meeting where he called for persistence in resolving disputes by peaceful means and through negotiations, including “shelving disputes and carrying out joint development for areas over which China has sovereign rights.” This reaffirmation of Deng Xiaoping’s guideline for handling territorial disputes over offshore islands indicated the leadership’s rejection of internal proposals to adopt a tougher stance against other claimants.<sup>5</sup> Another important step was taken in September, when China launched consultations on a Code of Conduct in the South China Sea with ASEAN.

China’s new diplomatic activism toward its surrounding countries became clearer in late October, when China’s leadership convened an unprecedented work conference on periphery diplomacy. In Xi’s speech at the meeting—which was attended by the entire Standing Committee of the Politburo, the members of the Central Leading Small Group on Foreign Affairs, and Chinese ambassadors to important countries—he underscored the close linkage between security on the country’s periphery and achieving China’s domestic objectives: The goal of creating “excellent external conditions” is required for China’s reform, development, and stability,” Xi stated.<sup>6</sup> Beijing would therefore continue to provide the benefits of China’s development to its neighboring countries, and “realize common development.”

China’s emphasis on Southeast Asia in this policy was foreshadowed in visits by Xi Jinping and Chinese Premier Li Keqiang to the region earlier that month. Speaking to the Indonesian parliament, Xi advanced the idea of a Maritime Silk Road. Li Keqiang offered a seven pronged proposal on promoting China-ASEAN cooperation and outlined a plan to establish an Asian infrastructure bank.

According to informed Chinese sources, relations with Japan are being viewed as a separate case. Beijing undoubtedly hopes to stabilize, and if possible, improve ties with Japan, but only on its terms. China continues to demand that Tokyo acknowledge that a territorial dispute exists before the two countries can resume normal political and military ties, including consultations on implementing conflict avoidance measures.

China thus seeks to employ a charm offensive with the majority of its neighbors while continuing its salami-slicing tactics to advance its territorial and maritime claims and pressing its interpretation of permissible military activities in its EEZ. From Beijing’s perspective, these are vital security interests and are not contradictory. Maintaining amicable ties with its neighbors, and especially preventing the US from colluding with its neighbors against Chinese interests, is a necessary precondition for China’s pursuit of economic reform. Resolutely safeguarding the

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<sup>5</sup> Taylor Fravel, “Xi Jinping’s Overlooked Revelation on China’s Maritime Disputes,” *The Diplomat*, August 15, 2013, <http://thediplomat.com/2013/08/xi-jinpings-overlooked-revelation-on-chinas-maritime-disputes/>.

<sup>6</sup> Bonnie Glaser and Deep Pal, “China’s Periphery Diplomacy Initiative: Implications for China’s Neighbors and the United States,” *US-China Focus*, November 7, 2013, <http://www.chinausfocus.com/foreign-policy/chinas-periphery-diplomacy-initiative-implications-for-china-neighbors-and-the-united-states/>.

nation's territorial integrity and sovereignty as well as upholding its maritime rights are tied to the Chinese Communist Party's political legitimacy, and thus, Chinese leaders believe they cannot make concessions. A set of well-designed and persistently implemented policies by the US, coordinated with its allies and partners, will be necessary to persuade Beijing to seek a rule-based and more mutually accommodating approach to protecting its maritime interests.

### **Regional Responses to China's Maritime Assertiveness**

Regional concerns about territorial and maritime disputes in the Asia-Pacific are on the rise. The Pew Research Center's Global Attitudes Project conducted public opinion polls in several regional nations in 2013 to assess the extent of these concerns. In response to the question "How big a problem are territorial disputes between China and your country?" the proportion that said the disputes are a "very big" or "big" problem was 82 percent in Japan, 90 percent in the Philippines, 62 percent in Indonesia, 36 percent in Malaysia, and 77 percent in South Korea.<sup>7</sup>

An important change from the past is that Southeast Asian governments no longer see a danger of US dominance and a growing number of states view closer ties with the US as a useful hedge against potential domineering behavior by China. Virtually every country in Northeast Asia and Southeast Asia has been publicly or privately supportive of the US rebalance to Asia and hopes that the US will sustain its role as balancer and counterweight to growing Chinese power.<sup>8</sup>

Nevertheless, doubts persist about the credibility and constancy of US policy. Regional states are worried that the US may once again be drawn into crises in the Middle East or elsewhere and leave them exposed without adequate capability to fend off Chinese pressure. US policy toward the South China Sea is the critical indicator for countries in Southeast Asia, although recently some Southeast Asian nations have begun to view developments in Northeast Asia (such as the ADIZ announcement) as warning signals of Chinese willingness to employ coercion generally. Southeast Asian states are looking to the US to stand up for rule of law and the peaceful settlement of disputes through diplomacy both through rhetoric and action. At the same time, however, they want to use the framework of ASEAN-based multilateral dialogue and seek greater support for ASEAN centrality and the use of ASEAN's collective diplomatic power to shape Chinese policies.

Even as the region welcomes increased US presence and attention to Southeast Asia, the majority of countries are keen to avoid having to choose between the United States and China.

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<sup>7</sup> Richard Wike and Bruce Stokes, "Who Is Up, Who Is Down: Global Views of China and the U.S.," Pew Research Center, Global Attitudes Project, July 2013, <http://www.slideshare.net/PewResearchCenter/who-is-up-who-is-down-global-views-of-china-the-us-71813>.

<sup>8</sup> Robert G. Sutter, Michael E. Brown, and Timothy J.A. Adamson, *Balancing Acts: The U.S. Rebalance and Asia-Pacific Stability*, Elliot School of International Affairs, The George Washington University, August 2013, [http://www2.gwu.edu/~sigur/assets/docs/BalancingActs\\_Compiled1.pdf](http://www2.gwu.edu/~sigur/assets/docs/BalancingActs_Compiled1.pdf).



They prefer to reap the benefits of having good relations with both and fear the consequences of a US-China rivalry in their backyard. Therefore, the US must strike a tricky balance between securing peace and stability in the South China Sea and avoiding confrontation with Beijing.

Sustaining the momentum in US-ASEAN relations is especially critical to American interests. Continued US support for enhancing the capabilities of Southeast Asian nations to defend themselves is also essential. The announcement by Secretary of State John Kerry during his December trip to the region of \$32 million to help Southeast Asian countries protect their territorial waters, and an additional \$40 million in aid to the Philippines, in part to enable it to boost its maritime defense capabilities, is welcome in this regard. The US must also pay equal attention to the non-security aspects of US-ASEAN relations including greater focus on economic initiatives. The US executive and legislative branches can help by promoting new business opportunities in Southeast Asia and providing capacity building for less-developed members of ASEAN to eventually join the TPP.

### **Policy Recommendations**

The US has multiple interests at stake in the maritime disputes in East Asia that involve China, including the maintenance of freedom of navigation, the encouragement of a rules-based international system, the maintenance of US credibility and influence in the region, peaceful resolution of disputes through negotiation, the preservation of peace and stability in the region, and the development of a cooperative relationship with a rising China. In the coming decade, the US role will likely be pivotal in shaping the security landscape in the Asia-Pacific region. The US must continue to be engaged economically, diplomatically, and militarily to influence the future balance of power in the region and ensure it remains favorable to the interests of the US, its allies, and its partners.

Congress can play a vital role in this process. Below are my recommendations for Congress going forward:

First, Congress should require the executive branch to produce a strategy paper on the rebalance to Asia. The paper should establish explicit objectives and benchmarks for evaluating progress. It should also outline a coordinated, whole-of-government approach to the rebalance, while articulating a clear bureaucratic division of labor that assigns the lead for various elements to appropriate agencies.

Second, Congress should encourage other governments and legislatures in the Asia-Pacific to back the Philippines' right to use available international arbitration mechanisms to address its territorial dispute with China. So far, only the U.S. and Japan have explicitly endorsed Manila's decision to file a case with the UNCLOS arbitration panel. If a large number of countries, including members of ASEAN, speak out in support of the application of international law to

resolve disputes, Beijing might conclude that flouting the ruling of the tribunal is too costly, even if China's nine-dashed line is found to be illegal.

Third, the US Senate should ratify UNCLOS to increase the effectiveness of U.S. efforts to pursue a rules-based approach to managing and resolving disputes over maritime jurisdiction. The Convention serves US national security and economic interests. It provides clear, treaty-based rights for U.S. ships and aircraft to travel through and over the territorial seas of other coastal states. Ratification would therefore be helpful in ensuring freedom of navigation in the Asia-Pacific. It would also silence China's charge that the US is attempting to enforce its interpretation of a law that it has not even ratified.

Fourth, Congress should urge the executive branch to impose consequences on China when it violates international laws and norms. If Beijing can flagrantly breach international laws and practices without penalty, it will have little incentive to become a more responsible regional and global player. In addition, the Administration should demand that China be more transparent about how it seeks to modify international rules and norms in the future.

Fifth, Congress should enact trade promotion authority legislation so that the Administration can persuade the other countries negotiating the TPP that the US will be able to not just sign, but also ratify a high-standard TPP agreement. Maintaining American economic leadership in the Asia-Pacific is imperative to enhancing the US ability to achieve its other interests, including the promotion of a rules-based system and the peaceful settlement of maritime disputes.