



**Statement before the U.S.-China Economic and Security
Review Commission**

“CHINA’S GRAND STRATEGY IN ASIA”

A Statement by:

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China's near-term intentions toward countries on its periphery, including those in Northeast Asia and Southeast Asia, were articulated by Chinese Communist Party General Secretary Xi Jinping at a major work conference on periphery diplomacy held October 24-25, 2013 in Beijing. Xi reaffirmed that the period extending to 2020 is a "period of strategic opportunity" for China's growth and development. During this time, China needs to maintain a stable external environment that is conducive to domestic economic reform and growth. To achieve this goal, Xi said, China must strive to make China's neighbors "more friendly in politics, economically more closely tied to us, and have deeper security cooperation and closer people-to-people ties." The neighboring countries should be treated as friends and partners, he added. China should make them feel safe and help them to develop.¹

At the same time, however, since coming to power, Xi Jinping has repeatedly emphasized that China's good-neighborly policy does not mean compromising on disputes over sovereignty, territory, and jurisdiction. Shortly after assuming the post of top party leader, Xi Jinping told his Politburo colleagues that China would never sacrifice its legitimate rights or basic interests.² China appears to believe that growing Chinese economic and military clout will over time persuade its neighbors that there is more to gain from accommodating Chinese interests than from challenging them. In handling relations with its neighbors, China is employing both carrots and sticks to deter countries from pursuing policies that inflict damage on Chinese interests. Beijing's periphery policy is also aimed at countering the U.S. rebalance to Asia, preventing the formation of anti-China coalition on its periphery, and weakening U.S. alliances.

China's Three Core Security Objectives in Asia

At present, China is pursuing three core security objectives in East Asia: exerting control over its "near seas;" promoting China-centered regional economic integration; and defending and advancing Chinese sovereignty claims. Beijing seeks to achieve these goals while maintaining good relations with the vast majority of its East Asian neighbors and avoiding confrontation with the United States.

Exerting Control over its Near Seas

China's military modernization is focused on enhancing the PLA's capacity to conduct regional military operations, including what China refers to as counter intervention operations. This refers to a chain of capabilities and missions aimed at preventing foreign, especially U.S., military forces from intervening in a conflict in China's near seas, which include the East China Sea, South China Sea, and Yellow Sea. In support of this counter-intervention strategy, China has developed a range of anti-access/area-denial (A2AD) weapons including short- and medium-range ballistic missiles, ground and air-launched cruise missiles, an anti-ship ballistic missile,

¹ "Xi Jinping: China to further friendly relations with neighboring countries," Xinhua, October 26, 2013. http://news.xinhuanet.com/english/china/2013-10/26/c_125601680.htm.

² "No Compromises over China's Sovereignty: Xi," Xinhua, January 30, 2013, <http://english.sina.com/china/2013/0129/555233.html>.

advanced fighter aircraft with precision strike capabilities, air refueling capabilities, airborne early warning systems, and integrated air defense systems. Beijing's top priority is to deter or slow U.S. intervention in a Taiwan Strait contingency, but these capabilities could be employed in a variety of regional crises or conflict scenarios such as a Chinese seizure of the Senkaku/Diaoyu islands in which the U.S. attempts to provide assistance to Japan to re-take the islands.

Defending and Advancing Chinese Sovereignty Claims

In both the East China Sea and South China Sea, Beijing is actively asserting its territorial and jurisdictional claims. In the dispute over the Senkaku/Diaoyu Islands with Japan, China took the first step to change the status quo in its favor in December 2008 when it dispatched law enforcement vessels into the 12 nm territorial waters around the islands for the first time. After the Japanese government purchased three of the five islands in September 2012, China seized the opportunity to begin conducting patrols in the contiguous and territorial waters on a nearly constant basis. Establishing routine presence is aimed at challenging Japan's administrative control over the islands and establishing Chinese jurisdiction. The announcement of an East China Sea Air Defense Identification Zone (ADIZ) on November 23, 2013 was intended to further increase pressure on Japan and compel Tokyo to officially acknowledge the existence of a territorial dispute between China and Japan. These actions take place against the backdrop of China's assessment that the rise of China and Japan's relative decline is leading to an inexorable power shift.

In the South China Sea, China appears to be engaged in "an incremental effort . . . to assert control over the land features and waters contained in the so-called 'nine-dash line.'"³ In June 2012, China reneged on a verbal agreement with the Philippines to withdraw both nations' vessels from Scarborough Shoal and seized control over the Shoal, and then barred entry to foreign fishermen. This marked the first instance of a change in the status quo of a land feature in the South China Sea since 1995 when China grabbed Mischief Reef from the Philippines. Other actions by China in recent years include putting hydrocarbon blocks up for bid in an area within Vietnam's 200 nm Exclusive Economic Zone and a considerable distance from the islands that China claims; interfering with other countries' seismic surveys within their EEZs; announcing administrative and military districts in contested areas in the South China Sea; declaring updated fishing regulations in disputed areas in the South China Sea; and sailing warships to James Shoal, a submerged land feature eighty kilometers off the coast of East

³ Testimony of Daniel Russel, Assistant Secretary of State, Bureau of East Asian and Pacific Affairs, before the House Committee on Foreign Affairs, February 5, 2014, <http://docs.house.gov/meetings/FA/FA05/20140205/101715/HHRG-113-FA05-Wstate-RusselD-20140205.pdf>.

Malaysia, manned with sailors and marines who took oaths “to defend the South China Sea, maintain national sovereignty, and strive towards the dream of a strong China.”⁴

In both the East China Sea and South China Sea, 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. 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.⁵ Especially worrisome is China’s growing willingness to employ economic means for coercion and compellence. In 2010, Beijing restricted exports of rare earth minerals to Japan to pressure Tokyo to release a Chinese fishing boat captain who was arrested after ramming a Japanese coast guard vessel. In 2012, China barred imports of tropical fruits from the Philippines to force Manila to withdraw its vessels from Scarborough Shoal. China’s growing economic clout along with its enhanced military and paramilitary capabilities have increased Chinese willingness to assertively defend its interests in its near seas.

China is also seeking to advance its sovereignty claim over Taiwan. A combination of economic carrots and political pressure is being used to persuade the people of Taiwan to forego the option of independence and reunify with the Mainland. For the time being, reunification is not an urgent priority, however; Beijing is likely to remain patient as long as it judges the trend is in the right direction.

Regional Economic Integration

In pursuit of its goal of China-centered regional economic integration, Chinese leaders Xi Jinping and Li Keqiang visited Southeast Asian countries in the fall of October 2013 to promote the establishment of a new maritime silk road for the 21st century linking the Pacific and Indian oceans, the creation of free trade zones along China’s periphery, and deepening regional financial cooperation by creating an Asian infrastructure bank. Beijing is also pushing for the conclusion by the end of 2015 of the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement that would include the ten ASEAN member states and its FTA partners (Australia, China, India, Korea, and New Zealand). China has also funded major infrastructure projects in Southeast Asia such as the Nanning-Singapore economic corridor that envisions an integrated road and railway transportation system that would link China, Vietnam, Laos, Cambodia, Thailand, Malaysia, and Singapore. Another project, the Great Mekong Subregion, links China’s Yunnan Province, with the six nations of the Mekong River basin. Connectivity is the focus of China’s current economic and trade strategy in Southeast Asia.

⁴ Greg Torode, “PLA Navy Amphibious Task Force Reaches Malaysia ‘to Defend South China Sea,’” *South China Morning Post*, <http://www.scmp.com/news/asia/article/1200564/pla-navy-amphibious-task-force-reaches-james-shoal-near-malaysia>.

⁵ Bonnie S. Glaser, Statement before the U.S. House Armed Services Subcommittee on Seapower and Projection Forces and the House Foreign Affairs Subcommittee on the Asia Pacific, January 14, 2014, http://csis.org/files/attachments/ts140114_glaser.pdf.

In Northeast Asia, Beijing is actively promoting a bilateral FTA with South Korea and a trilateral FTA among China, Japan, and South Korea. The ROK's trade dependence on China is significant, accounting for 21.8 percent of its overall trade (2012 IMF Direction of Trade statistics). Taiwan's trade dependence on China is even greater, accounting for a full 40.82% of the islands total exports in 2013. In addition, an estimated 80% of Taiwan's overseas direct investment is in China.

Fostering greater economic dependence on China and promoting regional economic integration are integral to Beijing's strategy of persuading its neighbors of the benefits of China's rise and dissuading them from challenging Chinese interests. In the 1990s and early 2000s, this strategy was relatively successful: regional suspicions about potential threats posed by a stronger China eased in large part because Beijing emphasized economic cooperation, set aside disputes over sovereignty, and applied little political pressure on its neighbors. However, China's growing power in recent years and an emergent belief among Chinese that the time has come to right the wrongs of the century of humiliation when China suffered exploitation by foreigners has led to the adoption of a more muscular approach toward the region. As will be discussed below, this change in Chinese approach and behavior has revived concerns throughout the region about the Chinese threat.

Is China a Revisionist Power in East Asia?

Although China's near-term goals and strategy are possible to discern, its long-term intentions are far less clear. Some observers posit that China will seek a Monroe Doctrine-type policy in Asia. Harvard University Professor Stephen Walt has argued, for example, that "a powerful China will not want the United States to have close alliances and a large military presence near its borders, and it will undoubtedly try to push U.S. forces out of the Asia-Pacific region."⁶ Other experts argue that regardless of Chinese ambitions, its behavior will be constrained by the rules and institutions of the international system.⁷ In my view, it is too early to tell whether China will be is a revisionist power in East Asia (or globally).

Beijing unquestionably seeks to change the status quo regarding Taiwan and land features in the South and East China Seas that China claims but are occupied by other nations. It is uncertain whether China will reconcile itself to widely shared norms and laws such as non-use or threat of force, freedom of navigation, and resolution of territorial disputes through negotiations or international arbitration. Beijing's outright rejection of the case filed by the Philippines in a UN arbitral tribunal suggests that China will oppose the intervention of international legal bodies to mediate or resolve jurisdictional and sovereignty disputes.

⁶ "Dealing with a Chinese Monroe Doctrine," <http://www.nytimes.com/roomfordebate/2012/05/02/are-we-headed-for-a-cold-war-with-china/dealing-with-a-chinese-monroe-doctrine>.

⁷ John Ikenberry, "The Rise of China and the Future of the West," *Foreign Affairs*, January/February 2008.

There are also some signs that China may challenge specific laws and practices with which it disagrees. China insists, for example, that its demand that military activities within a country's 200nm EEZ require permission from the coastal state is consistent with the UN Convention on the Law of the Sea (UNCLOS). China is not alone in this interpretation – at least 16 other countries share Beijing's position – but China is the only country that has operationally challenged U.S. naval and air forces, leading to numerous dangerous confrontations at sea over the past decade. Moreover, there are indications that Beijing distinguishes between “innocent passage” in a country's EEZ, which it supports, and “freedom of navigation,” which it opposes, because the latter permits loitering for the purpose of conducting surveillance and reconnaissance.

China has dubbed U.S. efforts to strengthen its military alliances with Japan and South Korea as a destabilizing factor in the region and criticized the alliances themselves as “Cold War relics.” Periodic attempts to drive a wedge between the U.S. and its allies are likely to continue, although China likely anticipates that these alliances will remain a feature of its security environment for a considerable time into the future. Only a major disruption in the region, such as the collapse of political control in North Korea and the unification of the Peninsula, is likely to present a real test of China's willingness to use pressure to end U.S. alliances and expel U.S. forces from the region.

It seems reasonable to assume that as China's economic and military power continue to grow that it will be less willing to tolerate U.S. primacy in East Asia than it has been up till now. U.S. capability and will to continue to play the role of balancer in the region will be a key factor influencing Chinese behavior, including the extent to which and the ways in which China seeks to challenge U.S. primacy and prevailing laws and norms. Another key factor influencing Chinese behavior is whether Beijing believes that its fundamental interests can be protected under prevailing security arrangements in the region.

China's Impact on Regional Security Dynamics

Regional concerns about China's behavior and intentions 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.⁸

Concerns about China are particularly intense in Japan in reaction to growing pressure from Chinese law enforcement vessels, increased naval operations in waters around Japan, and the

⁸ 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>.

announcement of the East China Sea ADIZ. Over the next five years, Japan will boost defense spending by 5 percent to purchase new military hardware, including its first surveillance drones, U.S.-made F-35 stealth fighters and Aegis combat systems. In response to perceptions of a growing threat from China, Japan's focus has shifted to defense of the southwestern islands, including creation of a Marine Corps-style amphibious infantry unit that can recapture remote islands.

China's more muscular behavior in the South China Sea beginning around 2007 has revived memories of past decades of Chinese aggression and gradually shifted regional security dynamics in significant ways. Southeast Asian governments which were wary of excessive U.S. presence in the past have shed their fears of U.S. dominance. Instead, a growing number of states view closer ties with the U.S. 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 U.S. rebalance to Asia and hopes that the U.S. will sustain its role as balancer and counterweight to growing Chinese power.⁹

Facing growing pressure from China over maritime disputes in Scarborough Shoal, Second Thomas Shoal, and Reed Bank, the Philippines, which demanded that the U.S. withdraw its forces from Subic Bay naval base in 1992, is now keen to see increased U.S. presence in the region. Manila is reportedly close to signing an agreement that will allow American troops to rotate through bases in the Philippines. Anxiety has risen in Singapore as well where officials have called for China to clarify its claims in the South China Sea and privately urged U.S. officials to speak out forcefully in favor of freedom of navigation and creating a rules-based system. China's bullying of Vietnamese fishermen and interference with Vietnamese plans to exploit oil and gas in its EEZ have fueled Hanoi's increased desire to cooperate with the United States. As a hedge against potential instability in the South China Sea, Indonesia has announced that it will deploy additional army and air forces in the Natuna Island waters. China's conduct of two naval exercises in less than a year around James Shoal has prompted Malaysia to quietly step up cooperation with the Philippines and Vietnam in recent months.

At the same time, Southeast Asian countries are bolstering their military capabilities. Vietnam is procuring Kilo submarines from Russia and may buy anti-ship cruise missiles from India. The Philippines is planning to purchase a squadron of jet fighters from South Korea and three naval helicopters from Italy. Indonesia is purchasing submarines from South Korea, Sukhoi jets from Russia, F-16s from the U.S. and anti-ship missiles from China.¹⁰

Increased desires for U.S. military, economic, and diplomatic involvement in the region are mingled with uncertainty about the credibility and constancy of U.S. policy. Regional states are

⁹ 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.

¹⁰ <http://www.scmp.com/news/asia/article/1146155/southeast-asian-countries-stock-arms-they-face-china?login=1>.

worried that the U.S. 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. U.S. 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 U.S. to enforce the rule of law and 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 influence China's policy choices.

Even as the region welcomes increased U.S. presence and attention to Southeast Asia, the majority of countries are keen to avoid having to choose between the United States and China. They prefer to reap the benefits of having good relations with both and fear the consequences of a U.S.-China rivalry in their backyard. Therefore, the U.S. must strike a tricky balance between reassuring our allies and partners and avoiding excessive tension with Beijing.

The PLA in Regional Policy: Role, Influence, and Capabilities

Decades of reform aimed at professionalization of the armed forces have circumscribed the PLA's role in foreign policy making and narrowed its focus to traditional military issues, defense-related issues such as arms control and proliferation, and policy toward countries that have a direct impact on Chinese security. In Northeast Asia and Southeast Asia, the PLA's influence is likely greatest on policy toward Taiwan, North Korea, Japan, Russia, and the United States. Along with the State Oceanic Administration under the Ministry of Land and Resources (which controls the recently formed Chinese Coast Guard forces of the Ministry of Public Security, the fisheries law enforcement command under the Ministry Agriculture, and the maritime anti-smuggling police under the General Customs Administration), the PLA also influences policy on maritime issues in the near seas.

The PLA's influence in the highest decision making body, the Politburo Standing Committee, is constrained by its lack of a representative on that body, which has been the case since 1997. The CCP general secretary, currently Xi Jinping, who sits on the PBSC and concomitantly holds the position of Chairman of the Central Military Commission, serves as the crucial link between civilian and military leaders. CMC meetings, which occur on average six times per year and last several days, provide critically important opportunities for institutionalized PLA interaction with the supreme leader. In addition, senior PLA figures participate in the Leading Small Groups on foreign affairs, Taiwan, and national security affairs, all of which are headed by Xi Jinping. Although the membership of the newly-created National Security Committee headed by Xi has not yet been announced, it will almost certainly include top PLA figures.

From the evidence available so far, it appears that the PLA is quite satisfied with its ties with Xi, including his interaction with the military, his attention to defense matters, his positions on security issues more broadly, and his support for China's military modernization. Xi's ties to the PLA can be traced to the early 1970s when he was introduced by his father, the revolutionary hero Xi Zhongxun, to serve as the secretary of former defense minister Geng Biao. During his 17 years of official service in Fujian province, Xi also reportedly became close friends with several young military commanders who shared the same background as the Red Second Generation, a term applied to the offspring of the founding fathers of the PRC. Among these were Xu Qiliang, currently vice chairman of the Central Military Committee, and Cai Yingting, currently commander of the Nanjing Military Region¹¹.

After Xi was elevated to chairman of the CMC—which, unlike his predecessor Hu Jintao, he achieved simultaneously with his appointment as president of the state—he is believed to have quickly consolidated his grip on the military by various means, including by making numerous visits to military regions and promoting three batches of generals. Xi support for the military is evidenced in his approval of a 12.2% increase in defense spending in 2014, the biggest since 2011. At the same time, Xi has sought to aggressively root out PLA corruption. Xi's status as a princeling undoubtedly bestows upon him a certain amount of respect from the military brass.

The increased importance of maritime security in China's security priorities, embodied in Hu Jintao's call at the 18th Party Congress for China to become a maritime power and “resolutely safeguard China's maritime rights and interests, has strengthened the voice of the PLA Navy along with the law enforcement agencies. Xi echoed the importance of promoting China's maritime power at a special study session of the Politburo in July 2013 that included the two PLA members who sit on that body, Fan Changlong and Xu Qiliang. Representatives from the PLA and maritime law enforcement agencies sit on the Maritime Rights Office that was established in September 2012 to coordinate agencies within China. Xi Jinping took charge of this Office even before he assumed his post as CCP general secretary.

PLA pundits and commentators have been staunch supporters of maintaining a firm position on territorial disputes and most have criticized the U.S. rebalance to Asia as emboldening China's neighbors to confront Beijing on these disputes. This “hard-line” view is widely expressed by civilian analysts and officials as well, however. In some instances, the PLA has pushed a specific policy that won endorsement from the top leadership without sufficient civilian scrutiny and input. For example, several sources suggest that the PLA pressed for establishment of the East China Sea ADIZ and convinced Chinese leaders to approve it without consulting the foreign ministry.

¹¹ <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20130508000040&cid=1101>

To protect its vast maritime claims and preserve access to regional resources, China relies primarily on a mix of diplomacy and economic means, as well as patrols by the China Coast Guard. The PLAN operates at a distance from the Coast Guard vessels, providing a security guarantee. PLAN ships also regularly patrol in China's claimed territory to conduct surveillance and assert Chinese maritime sovereignty.

PLAN missions in Northeast Asia and Southeast Asia, include, but are not limited to: asserting territorial claims, maintaining readiness for a potential contingency in Taiwan, executing anti-access/area-denial operations, conducting naval diplomacy, implementing regional deterrence missions, and carrying out humanitarian assistance and disaster relief. Modernization has proceeded apace in support of these missions, including sustained investment in advanced short- and medium-range conventional ballistic missiles, land-attack and anti-ship cruise missiles, counter-space weapons, and military cyberspace capabilities. The PLA has also continued to improve capabilities in nuclear deterrence and long-range conventional strike; advanced fighter aircraft; limited regional power projection, with the commissioning of China's first aircraft carrier, the *Liaoning*; amphibious operations; integrated air defenses; undersea warfare; improved command and control; and more sophisticated training and exercises across China's air, naval, and land forces.¹²

Chinese military exercises have become steadily more sophisticated. The PLA recognizes the need for more realistic training activities incorporating all the aspects of "local wars under informationized conditions" and emphasizes the importance of joint operations. Drills take place in complex electromagnetic and joint environments. The PLA now conducts frequent exercises demonstrating advances in information technology and information integration in intelligence acquisition, joint command, joint strike, and support operations. China's most recent Defense White Paper emphasized the PLA's efforts to increase "combat readiness" and strengthen realistic training.¹³ While "combat readiness" has been a PLA priority for a long time, it has become a major theme since Xi Jinping became CMC Chairman.

PLAN training activities in the near seas have increased significantly in recent years. Chinese naval flotillas routinely sail between the East China Sea and the Pacific Ocean using diverse routes. Chinese aircraft regularly conduct warning and surveillance activities as well as air patrols over the East China Sea. Chinese aircraft have intensified flight activities surrounding Japan's airspace, expanding their operational areas and flying in diversified flight patterns.¹⁴

The number and scale of Chinese naval drills in the South China Sea are increasing. For example, China conducted a 37-day drill with its aircraft carrier *Liaoning* at the end of last year that included aircraft, naval vessels and submarines. Zhang Zheng, the *Liaoning's* captain said

¹² DOD report. http://www.defense.gov/pubs/2013_China_Report_FINAL.pdf.

¹³ *The Diversified Employment of China's Armed Forces*, Information Office of the State Council, April 2013, http://news.xinhuanet.com/english/china/2013-04/16/c_132312681.htm.

¹⁴ http://www.mod.go.jp/e/d_act/ryouku/index.html.

that the drill was designed to “integrate the test, training, and combat of the aircraft carrier during this scientific research and training in the South China Sea.”¹⁵ Another naval exercise conducted in early 2014 seemed intended to assert China’s sovereignty over the waters in the 9-dashed line. Two Chinese destroyers and an amphibious landing craft, the *Changbaishan*, possibly escorted by a submarine, first conducted a patrol of the Paracels, then sailed to James Shoal, a submerged reef some 50 miles off the coast of Malaysia that the Chinese claim as the southernmost point of their territory, where the crew took an oath to defend their nation’s sovereignty. The flotilla then proceeded beyond waters claimed by China to the Indian Ocean, conducting the first exercises by Chinese military vessels in waters south of Indonesia, before sailing back north and holding live-fire drills in the Western Pacific.¹⁶ Significantly, the ships reached the Indian Ocean without using the Malacca Straits for the first time, instead, sailing via the Sunda Strait, the Lombok Strait, and the Makassar Strait.

Xi Jinping is reportedly attempting to reorganize the PLA to enhance its joint warfare capability. The restructuring may enable the PLA to respond more effectively to external threats, especially in disputed maritime domains. The three coastal Military Regions of Jinan, Nanjing and Guangzhou may be merged into a single Joint Forces Command that will be responsible for the near seas. These changes appear to follow from President Xi’s directive in the fall of 2013 to improve operational agility and develop combat synergies. The Chinese defense ministry has denied that the restructuring is being planned, but this is not surprising; it will likely not be announced until preparations are completed. The reorganization of the PLA’s operational structure could enable the force to mount a rapid response to external threats. Joint Air-Sea campaigns that require close co-ordination between commanders and personnel of all of China’s military services may become a new focus.

Recommendations for U.S. Policy

In the coming decade, the U.S. role will be pivotal in shaping the security landscape in the Asia-Pacific region. The U.S. must continue to be engaged economically, diplomatically, and militarily to shape the future balance of power in the region and ensure it remains favorable to the interests of the U.S., its allies, and its partners. Congress can and must 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.

¹⁵ <http://www.voanews.com/content/chinas-aircraft-carrier-returns-from-south-china-sea-mission/1821831.html>

¹⁶ <http://online.wsj.com/news/articles/SB10001424052702304914204579392720879214320>.

Second, through legislation, hearings, and travel, Congress should convey to the American public the importance of the Asia-Pacific region to American interests now and in the future. Americans are generally woefully ignorant about Asia and polls show a nascent trend toward isolationism that could be harmful to American interests.¹⁷

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

Fourth, the U.S. 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 U.S. 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.

Fifth, 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.

Sixth, Congress should enact trade promotion authority legislation as soon as possible so that the Administration can persuade the other countries negotiating the TPP that the U.S. 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 U.S. ability to achieve its other interests, including the promotion of a rules-based system and the peaceful settlement of maritime disputes.

Seventh, Congress must provide resources to support the rebalance to Asia. Adequate funding is essential for the U.S. to maintain readiness and presence in the Western Pacific. It is also necessary to fund U.S. diplomacy and engagement in multilateral institutions in the region which are crucial to the credibility and success of the rebalance. In addition, the U.S. should continue

¹⁷ In a Pew poll conducted October 30-November 6, 2013, 52 percent of Americans said "the U.S. should mind its own business internationally and let other countries get along the best they can on their own." That number has historically ranged between 20 and 40 percent. When asked if they agreed that the U.S. should "not think so much in international terms but concentrate more on our own national problems," 80 percent surveyed said they agreed, an all-time high, and only 16 percent disagreed. <http://www.people-press.org/2013/12/03/public-sees-u-s-power-declining-as-support-for-global-engagement-slips/>.

to build the capacity of our partners and allies to improve maritime domain awareness in the East and South China Seas.