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Cover: The Arleigh Burke-class guided-missile destroyers USS McCampbell (DDG 85), USS Lassen (DDG 82), and USS Shoup (DDG 86) operate in the Pacific Ocean. U.S. Navy photo by Chief Photographer's Mate Todd P. Cichonowicz.
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Chapter 1

Introduction: Why China Wants to Control the South China Sea

Over the past five years, China has pursued an increasingly assertive, and at times quite provocative, set of policies in the South China Sea, and there is little reason to expect that this will change any time soon. There may, of course, be temporary lulls in the more controversial activities pursued by the Chinese – such as the seizure, expansion, and militarization of additional reefs and islets claimed by China in the South China Sea – at points in time when the leadership in Beijing may wish to avoid regional confrontations that could disrupt more immediate policy priorities, or when it seeks to understand more fully the likely reaction to such activities by a competitor nation (particularly the United States.) The relative slowdown in China’s island building and militarization effort in the South China Sea during the first half of 2017 (compared, that is, to what was accomplished in 2015 and 2016) has been linked, for example, by a number of top China watchers to a desire by Beijing to avoid any undue regional tensions in the run-up to the 19th National Congress of the Chinese Communist Party held in late October 2017 (at which President Xi Jinping consolidated, as expected, his position as “core leader” of the party), as well as to an ongoing effort by Xi and his team to get a better handle on how the Trump administration might respond to additional island building and associated measures. In the view of most experts who track developments in the South China Sea, however, it is very unlikely that Beijing will ever give up on its long-term goal of achieving effective control over this critical region, including via the deployment of advanced military capabilities on the various islands, rocks, and associated maritime features that it now claims or may claim in the future. Indeed, even if no new islands are seized or created, there is every indication, based on current Chinese activities, that Beijing will continue to improve and expand the facilities and defense-related networks it has constructed on the

1 For an excellent discussion of likely Chinese initiatives and moves over the near term in maritime Asia and the South China Sea more specifically, see the “Asia Forecast 2017” podcast posted by the Center for Strategic and International Studies, Washington, D.C., posted at https://www.csis.org/events/asia-forecast-2017. Panel three, entitled “Maritime Asia – Biding Time or Calm Before the Storm?,” is particularly enlightening with regard to the incentives Beijing may have to appear somewhat less provocative in the South China Sea during the first half of 2017. At the same time, the Trump administration’s desire to secure greater Chinese assistance in containing North Korea’s nuclear weapon and missile development activities has likely led to a parallel decision by Washington in early 2017 to avoid an increase in Sino-American tensions over the South China Sea.
outposts that it has already established in the South China Sea, upgrading their collective capacities to host and support People’s Liberation Army (PLA) forces and operations.\(^2\)

The reasons for this steadfastness on the part of China with regard to consolidating its control over the South China Sea are several and inter-related. First, such assertiveness is entirely in keeping with, and a near perfect illustration of, China’s declared strategy of conducting offshore active defense within the waters west of what it refers to as the “first island chain,” a string of islands running roughly from the southern tip of Japan along the Ryukyu Islands to Taiwan, the northern part of the Philippines, and then to Borneo. Encompassing the Yellow Sea, the East China Sea, and the South China Sea, this sweeping maritime zone, through which run the vital sea lanes linking the Persian Gulf to Northeast Asia and Northeast Asia to North America, is viewed by China as its “near seas,” key to its economic security and national defense. Hence, in a crisis or conflict situation, having a proven capability to deny a potential adversary easy access to these waters, or, should access be achieved, being able to complicate an aggressor’s ability to operate effectively within them, has become a strategic priority for China. In this context, Beijing is focused in particular on being able to limit the ability of U.S. military forces to operate on and above first-island chain waters in the event of a Sino-American confrontation with the same degree of ease that they have enjoyed in the past. What the PLA and its affiliated maritime units – including the PLA Navy (PLAN) and a number of paramilitary sea power forces – are doing in the South China Sea, therefore, fits quite well into that broad geostrategic design.\(^3\)

\(^2\) In the early months of 2017, for example, Chinese construction crews were close to completing work on a number of military-relevant facilities on three major reefs – namely, Subi, Mischief, and Fiery Cross Reefs – that China had earlier seized and enlarged into artificial islands. These facilities include aircraft hangers, hardened shelters for mobile missile launchers, advanced surveillance/early warning radars, harbor/port infrastructure, and point defenses for their protection. Together with the airstrips built earlier on the reefs, these more recent improvements will allow China to deploy military assets, including combat aircraft and various missile systems, to the Spratly Islands sector at any time. See “China’s Big Three Near Completion,” Asia Maritime Transparency Initiative (AMTI), Center for Strategic and International Studies (CSIS), March 27, 2017, [https://amti.csis.org/chinas-big-three-near-completion/](https://amti.csis.org/chinas-big-three-near-completion/).

Weighing the Consequences of China’s Control Over the South China Sea

China’s Concept of the First and Second Island Chains

Second, and more specifically, achieving maritime dominance in the South China Sea via offshore active defense and related activities — including the building of artificial islands and laying the groundwork for their militarization — appears to be viewed by the Chinese as a critical and logical first step to setting in place an anti-access and area denial (or A2/AD) capability along the lines outlined above, and doing so within waters that stretch over an area some 90 percent of which China already claims as sovereign territory. The fact that these waters are thought to be rich in seabed deposits of oil and gas (while also accounting for an increasingly vital percentage of China’s yearly fish catch), and that

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5 For details on the degree to which China’s ever-growing demand for fish drives its current efforts to control the South China Sea, see Adam Greer, “The South China Sea Is Really a Fishery Dispute,” The Diplomat, July 20, 2016, http://thediplomat.com/2016/07/the-south-china-sea-is-really-a-fishery-dispute/.
the ownership of these resources is still contested (notwithstanding China’s arguments to the contrary), simply provides an additional powerful incentive for Beijing to establish greater control. Importantly, moreover, the coastal and maritime landscape of the South China Sea – including the central position of Hainan Island, home to a number of China’s most advanced military systems such as its long-range anti-ship ballistic missiles (or ASBMs) and its nuclear-powered submarines (or SSBNs) – makes it a near perfect operational setting within which to deploy and exercise the types of military assets required for A2/AD missions, and to perfect the PLA’s evolving concepts for how best to use them. In essence, the South China Sea theater is an ideal testbed for systems and strategies that China would hope to deploy and use throughout its near-seas environment.

Map of Oil and Gas Deposits and Territorial Claims in the South China Sea


Third, and picking up on this last point, building and testing an A2/AD network first in the South China Sea, where China enjoys a greater freedom of maneuver compared to what is possible in the northern half of the first island chain above Taiwan – where the United States and Japan have a relatively stronger and more constant presence – simply makes sense as a way to “iron out the kinks” in a fairly permissive environment before
investing full throttle in such a network elsewhere along China’s coast.\(^6\) That said, once the kinks are ironed out via a South China Sea test, it would be much easier for Beijing to expand and improve A2/AD deployments in other portions of China’s near seas that lie to the north, and to extend coverage out to what is known as the “second island chain,” which stretches from the Japanese coast near Yokosuka south and east along the Bonin and Mariana Islands to Guam and then southwest to the Palau Islands and the western tip of New Guinea. A more robust capacity to reach out to the second chain, based in part on control of the South China Sea, would be a particularly gratifying development for China, as the area between the first and second island chains is where the PLA would ideally want to halt or disrupt any American naval advance toward (and eventually through) the first chain in a future crisis contingency, especially one involving Taiwan. China’s short- and medium-range ballistic missiles and its land-attack cruise missiles based on the mainland can already target key U.S. bases in Japan and much (if not all) of the second-chain maritime approaches to China that Washington would need to rely on in any serious Sino-American confrontation, but that missile coverage would be much thicker and deadlier, for example, if some of these missiles were stationed on Chinese outposts in the South China Sea.\(^7\) As an added benefit, the PLAN’s new Type 052D guided-missile destroyers, soon to be operating with greater regularity in the South China Sea as part of a more potent A2/AD capability, could extend – perhaps in tandem with surface-to-air missiles (SAMs) also deployed on these outposts – a protective air-defense umbrella over a good number of such forward ballistic and cruise missile deployments, boosting their survivability and overall effectiveness.\(^8\)

Fourth, precisely because it is a more permissive theater within which to operate, where China can pursue its territorial ambitions and strategic objectives with a much lower prospect of serious pushback from the United States and/or local states than it would face, for example, in the East China Sea, the South China Sea has also emerged as an almost perfect setting within which to test, refine, and demonstrate the effectiveness of the gray-zone strategic approach preferred by Beijing as a way to press its territorial claims. As described by two strategists of note, “gray-zone aggressors deliberately refuse to breach the threshold between uneasy peace and armed conflict [that might] justify a martial response” from an opponent, preferring if at all possible to use non-military and

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\(^6\) Compared to the rather compact East China Sea, where Japan’s maritime forces and the U.S. Seventh Fleet serve as powerful counterpoints to Chinese assertiveness at sea, the South China Sea is a long and distended maritime zone, ringed by weak coastal states with little maritime clout and host to a less persistent American naval presence. Together, these geographic and military balance considerations contribute to an operating environment in which the PLA as a whole, the PLA Navy (PLAN), and other elements of Chinese sea power (including coast guard units and lightly armed fishing fleets) can conduct a host of rather forward-leaning maritime missions with a far freer hand than they could ever expect to have in the East China Sea. See James Holmes, “China’s East China Sea ADIZ Represents a Thinly Veiled Grab for Sovereignty,” *The National Interest*, April 21, 2017, http://nationalinterest.org/feature/chinas-east-china-sea-adiz-represents-thinly-veiled-grab-20298?page=2.


paramilitary maritime assets (such as the Chinese coast guard and maritime militia) to change the status quo in contested waters in a gradual, step-by-step manner, holding hard power assets (such as PLAN warships or shore-based missiles) in reserve until or unless they are needed. In the South China Sea, in particular, Beijing has utilized this approach to extremely good effect, deploying a deft mixture of maritime surveillance and law enforcement units, fishing vessels armed with maritime militia, and, when absolutely necessary, PLAN combat elements, in a series of assertive, but well short of open conflict, operations, to create “a semblance of sovereignty over disputed islands, seas, and skies” without triggering a wider crisis or crossing a “red line” that might prompt American intervention. China did exactly that quite successfully in taking control of Mischief Reef in 1994 and Scarborough Shoal in 2012 (both located deep within the Philippine Exclusive Economic Zone, or EEZ), and it will no doubt continue to do the same elsewhere in and around the South China Sea.

Aptly dubbed “small stick diplomacy,” the overall aim of gray-zone efforts along these lines is to use Chinese force that is “big enough to cow Asian neighbors whose navies barely [rate] as coast guards, but...too small to goad the United States into sending its navy to defend allies and friends.” At the same time, China’s substantial inventory of long-range missiles and combat aircraft deployed along the coast of the mainland, as well as an array of increasingly capable PLAN platforms, would be looming just over the horizon, ready to join the fray if the “small stick” contingent needed help. But the key point here is that these types of operations in the South China Sea have been incredibly useful in helping Beijing to identify and properly support the types and varieties of gray-zone strategies and associated maritime capabilities that it will need, in concert with the “big stick” component of China’s broader A2/AD military strategy, to advance its territorial claims and to secure a more dominant position throughout (and perhaps well beyond) the seas of the first island chain, including even in the “less permissive” East China Sea. Just as it is for the A2/AD strategy as a whole, then, the South China Sea is likely viewed by the Chinese leadership as an indispensable “maritime laboratory” for perfecting the most productive gray-zone techniques available to it, a real world laboratory in which Beijing has little desire to “play second fiddle” to any local or outside power.

Fifth, and finally, Beijing considers the South China Sea to be an increasingly important seaward gateway into the Indian Ocean and to the littoral areas of Southeast Asia. 

11 Ibid., 6-7.
12 Holmes and Yoshihara, “Five Shades of Chinese Gray-Zone Strategy.” In this context, U.S. forces may be reluctant to respond – and, hence, find themselves self-deterred – lest they trigger a military escalation that would appear out of proportion to the violation that occurred.
13 In point of fact, despite strong pushback from Japan, China’s use of gray-zone strategies in the East China Sea similar to those perfected in the South China Sea have essentially forced Tokyo to tacitly accept “what amounts to joint administration of the waters around the Senkakus,” albeit without relinquishing physical control of the islands themselves. Holmes and Yoshihara, “Deterring China in the ‘Gray Zone’”, 3.
Asia, South Asia, the Arab Gulf, and even East Africa. The waters of the greater Indian Ocean host the sea lines of communication (or SLOCs) that carry the critical energy supplies and other raw materials on which the Chinese economy depends, including the 50 percent or so of China’s crude oil imports that are shipped each year from the Arab Gulf through the Indian Ocean and into the South China Sea (passing primarily through the Malacca Strait). They also provide China with access to a number of countries—notably, Malaysia, Pakistan, Bangladesh, Sri Lanka, the Seychelles, and Djibouti—with which Beijing seeks to partner (and over which it hopes to gain political and economic leverage) via what it calls a “maritime silk road.” China, understandably, argues that the “maritime silk road” is simply a seaward extension of its “One Belt, One Road” (OBOR) initiative, announced in 2013 and aimed primarily, according to Beijing, at promoting economic cooperation and improving transportation links between China and its Central Asian neighbors, as well as with potential trading partners in the broader Indian Ocean region, East Africa, and ultimately Europe (via the Suez Canal and various overland pipelines, highways, and railroads cutting through Eurasia). That said, without discounting the economic aspects of the “maritime silk road,” its geopolitical and military dimensions can hardly be ignored, especially in view of China’s development of a deep water port and ship replenishment facilities at Gwadar in southwest Pakistan, as well as a naval base and logistics hub at Djibouti on the Horn of Africa.

These and similar outposts that may be established in the future at key junctions around the Indian Ocean—adding to what is often referred to as China’s “string of pearls”—will clearly help to support a more global role for the PLA, and one made all the more feasible by greater Chinese control over the South China Sea.

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18 According to Professor Jin Yinan, a retired major general and former director of the strategic research institute at the PLA’s National Defence University, the Djibouti base, officially referred to as a “support facility” to resupply PLAN units engaged in anti-piracy, humanitarian, and peacekeeping operations, is in reality meant to be a full-fledged military base, and more facilities like it, he added, will be needed in the future “to protect the nation’s growing overseas interests” and to ensure “the safety of seaways, overseas resources and Chinese nationals.” See Kristin Huang, “Chinese Defense Advisor Says Djibouti Naval Facility is a Much-needed ‘Military Base’”, South China Morning Post, May 13, 2017, http://www.scmp.com/news/china/diplomacy-defence/article/2094194/chinese-defence-adviser-says-djibouti-naval-
China’s Maritime Silk Road and String of Pearls

Further on this last point, access to and through the Indian Ocean from the South China Sea is critical to the ability of the PLAN to perform a variety of tasks that Chinese military authorities now categorize as “far seas protection” missions, such as SLOC defense in distant waters, counter-piracy, and the rescue of Chinese nationals working abroad. Each of these out-of-area missions and likely others will become more frequent and necessary as China continues to build up an ocean-going navy and to participate in naval operations well beyond its near seas, while it builds at the same time stronger trade ties with (and boosts its investments in) selected countries along the “maritime silk road” and even as far away as Central and South America. Indeed, China’s expanding trade with, and...

Source: https://www.quora.com/Why-doesnt-India-want-to-join-Chinas-Silk-Road-projects-that-can-benefit-India-too

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19 Since 2008, for example, China has conducted an unprecedented series of deployments to Central and South America and the Caribbean, including a visit by the Peace Ark hospital ship in 2011 in an effort to emulate – though on a much smaller scale – the USNS Comfort’s health diplomacy tours, followed in 2013 with goodwill visits by the PLA navy to Brazil, Chile, and Argentina and a first-ever naval exercise with the Argentine navy. See Nick Simeone, “SOUTHCOM Chief Warns Budget Cuts Could Affect National Security,” American Forces Press Service, March 19, 2013, and Posture Statement of General John F. Kelly, USMC, Commander, U.S. Southern Command, before House Armed Services Committee, 113th Congress, February 26, 2014, 11.

20 For details on Chinese investment initiatives in Central and South America, see Posture Statement of General John F. Kelly, 11, and Kevin P. Gallagher, “Time for a U.S. Pivot to Latin America,” Globalist, June 18, 2013. China’s
investment in areas outside of, the Asia-Pacific region has led to a growing number of Chinese mining, oil and gas, and road and rail construction projects based overseas (most notably in Africa), most of them run and manned by Chinese personnel who will need to be protected and possibly evacuated in the event of local unrest.  

Not surprisingly, therefore, China recently announced plans to increase PLA Marine Corps (PLAMC) personnel by 400 percent, and to train them for a wider range of global missions, including the protection (and, if need be, the evacuation) of Chinese workers manning overseas projects.  

Elements of this expanded PLAMC would also be based at Djibouti and Gwadar to provide security for those key offshore supply nodes in the wider “maritime silk road” network, providing yet another reason for China to improve its capacity to ensure safe passage to and from the Indian Ocean via the South China Sea.

So, too, developing a regular presence and a proven capacity to operate around the primary chokepoints and passageways that link the South China Sea and the Indian Ocean – and strengthening China’s strategic position at certain critical points along the maritime silk road – could also improve significantly China’s capacity to break (if not deter altogether) any future blockade that a potential adversary – most notably, in Beijing’s eyes, the United States – might try to impose on seaborne commerce headed to or from China through these strategic waterways, especially (again) via the Malacca Strait.  

Implementing an effective blockade along these lines would not, of course, be an easy task, and Washington would not likely ever consider setting up such a blockade except in the context of a serious and protracted Sino-American conflict. Nonetheless, given China’s

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21 According to at least one China watcher, “Beijing is still haunted by the memory of Libya’s descent into chaos where the globetrotting PLAN relied on rented cruise ships and cargo vessels to evacuate its 35,800 nationals working there.” With over 2 million Chinese now working in Africa, the need for a better solution in the future – based in part on a larger PLA forward presence in the Indian Ocean region – is paramount. Kleven, “Is China’s Maritime Silk Road a Military Strategy?”:


24 To be effective, a blockade strategy would need the support of three of China’s neighbors – Russia, India, and Japan – to help close off China’s potential alternate trading routes. Of the three, Russia’s support would be critical, as Moscow alone retains sufficient clout over decisions made by China’s Central Asian neighbors – especially Kazakhstan and Turkmenistan, which have become, respectively, key oil and gas exporters to China via overland pipelines – to close off Beijing’s access to those particular supply sources. For their part, India would be key to discouraging South and Southeast Asian states from offering China alternate supply routes through their territories, and Japan could use its substantial regional naval power to shore up the Pacific portion of any blockade. In addition to closing off alternative supply routes to China (especially overland routes), another challenge to enforcing a blockade would be the need to devise an effective system for monitoring and differentiating between neutral and
heavy dependence on oil shipped through the Malacca Strait (a condition often referred to as China’s “Malacca dilemma”), and in view of the fact that China’s economy is largely a trade-based economy with most of that trade maritime in nature, Beijing cannot afford to downplay the likelihood or the potentially quite negative economic and political impact of an American blockade strategy. According to one recent estimate, a cut-off of Chinese oil imports that come by sea could impose close to a 7 percent reduction in China’s Gross Domestic Product (GDP), a figure said to be “equivalent to the size of the Australian economy.” Moreover, the indirect costs associated with the declines in Chinese industrial and commercial efficiency that would result from such an oil cut-off would probably be even higher, as would the cumulative effects of the reduction in China’s exports shipped by sea via huge container ships – which constitute the great bulk of the country’s seaborne trade – that a sustained maritime blockade could impose. China’s high-technology exports – some 90 percent of which are dependent on the prior import of intermediate products that are then assembled and processed in China – would be especially hard hit.

Developing a credible counter to such a contingency remains, therefore, a priority goal for the PLA, and greater Chinese control over the South China Sea is seen to be a key to that goal for at least two reasons. First, such control – and the wider maritime access it provides – is the best way to make sure that the PLAN is able to acquire the seagoing experience it will need to conduct “far seas operations” in waters quite distant from the Chinese coastline – including SLOC defense around the chokepoints noted above – at the level that would be required to successfully disrupt a blockade. And second, the PLAN’s ability to do just that is likely to depend in no small measure on the extension of China’s A2/AD coverage to the furthest reaches of the first island chain (and, if possible, a good portion of the second island chain), a development that may well depend, in turn, on the degree to which China can move forward with the further militarization of the artificial islands it has created (and may create in the future) in the South China Sea.

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enemy (i.e., in this case, Chinese) shipping. This would be especially tricky to accomplish, according to Mirski, given that “today’s cargoes of raw materials and merchandise can be sold and re-sold many times in the course of a voyage, so the ultimate ownership or destination of a ship’s cargo is often unknowable until the moment it docks.”

Ibid.

25 By way of illustration, it has been argued, for example, that of the $5.3 trillion volume of trade that passes through the South China Sea each year, close to $4 trillion of that trade is going to or coming from China. John Quiggin, “Keeping the Sea Lanes Open: a Cost-Benefit Analysis,” Inside Story, March 17, 2016, http://insidestory.org.au/keeping-the-sea-lanes-open-a-cost-benefit-analysis.


27 Since most of China’s exports are “processing exports”, China, according to Sean Mirski, “could not simply switch its factories over to domestic production because those factories would require imported goods that would no longer be arriving.” He goes on to argue that the high dependence of China’s production processes on imported raw materials (which make up at least 27% of its overall imports) and on foreign innovation techniques would simply compound these import-related vulnerabilities. See Mirski, “Stranglehold: The Context, Conduct and Consequences of an American Naval Blockade of China” and Sean Mirski, “How to Win a War with China,” The National Interest, October 16, 2014, http://nationalinterest.org/commentary/how-win-war-china-9346.

28 Indeed, it would appear that China’s decision in 1998 to build permanent military facilities on Mischief Reef, which it had seized from the Philippines in 1994, was driven in part by a desire to achieve greater control over the maritime approaches to the Strait of Malacca. According to Holmes and Yoshihara, for example, by militarizing Mischief Reef, Beijing was able in one fell swoop to “extend its outer defense perimeter, establish bases flanking vital sea lines of communication, and ultimately assert a measure of control over the approaches to the Strait of
Breaking a U.S. Navy-managed blockade organized around the Malacca Strait and other key passageways further south in the Indonesian archipelago (most notably, the Sunda and Lombok Straits) would not, of course, be an easy task, but it is not inconceivable that PLAN surface action groups, led by China’s new, Aegis-like Type 052D guided-missile destroyers – each of which carry a variety of anti-ship cruise missiles (ASCMs) that significantly outrange anything deployed on U.S. warships – could sufficiently raise the costs for Washington of undertaking a blockade that it would choose not to do so. This

Malacca, a vital artery connecting the South China Sea with the Indian Ocean.” Holmes and Yoshihara, “Deterring China in the ‘Gray Zone***”, 7. Following the Mischief Reef model, therefore, each additional step taken by China since 1998 to improve and expand its military infrastructure and deployment options on the various outposts it has seized and built up in the South China Sea has (or will) simply broaden its strategic reach out to the Strait of Malacca region.

29 Regarding China’s advantages on the ASCM front, Holmes and Yoshihara have also argued convincingly that “even if PLAN vessels remain inferior to their U.S. counterparts on a ship-for-ship basis, … getting off several
would be all the more likely, moreover, if, as discussed earlier in this chapter and alluded to above, the future deployment of long-range ASCMs (perhaps in tandem with anti-ship ballistic missiles, or ASBMs) on China’s new island outposts in the South China Sea allowed the PLA to provide much broader A2/AD coverage over these critical shipping lanes that link the Indian Ocean and the South China Sea.

Taken together, these five overarching observations regarding China’s abiding interest in the South China Sea suggest that Beijing sees control of this critical waterway as extremely important in its own right, and as a way to achieve essential strategic goals within the near-seas zone as a whole and even well beyond. There is little likelihood, moreover, that China’s active defense policies in and around the South China Sea, fueled by Beijing’s predilection for gray-zone strategies and sustained by an increasingly potent and globally oriented PLAN, will change any time soon. For one thing, these policies enjoy a growing degree of domestic support (based in part on rising nationalistic sentiments among the Chinese public), and they are heavily promoted by a wide range of influential Chinese academics and strategists, as well as by top members of the Chinese leadership itself, all of whom argue that such an assertive approach is in fact preferable to any alternatives. Since he came to power, for example, Chinese President Xi Jinping has frequently stressed in public the critical importance of assertiveness and a strong military to advancing national interests and achieving what he calls the “China Dream” of regional dominance. Accordingly, Xi has devised a much more hardline approach vis-à-vis territorial disputes, and instances of Chinese coercion – as evidenced in the South China Sea island disputes – have markedly increased under his rule.30 Similarly, key officials from Xi’s cabinet and other close advisors have highlighted that a more assertive posture is more “practical and effective” at commanding respect and convincing others to increasingly accommodate Beijing’s preferences.

Indeed, as one Chinese major general argued in late 2014, “principles of harmonious coexistence and peaceful development do not resonate with many countries.”31 Echoing that sentiment, Chinese Foreign Minister Wang Yi has gone on to emphasize in recent speeches that China must firmly stand its ground when engaged in maritime disputes or in defense of its territorial sovereignty claims. After all, according to Chinese thinking, although many nations might be uncomfortable with China’s aggressive behavior, the costs of any negative international perceptions remain unclear and have been quite manageable to date. So, too, Beijing’s gray-zone strategy of provoking and exploiting ambiguous incidents with other countries in disputed waters has been largely successful so far in strengthening China’s maritime claims without raising the prospect of serious military conflict.32 Over time, it is widely believed in Beijing, this is the best way to move toward a new maritime regime in China’s near seas that is more “Sino-centric” in format, and no longer defined solely (or principally) by the post-World War II “liberal

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31 Ibid.
32 Ibid.
international order” for governing the global commons that was imposed by the United States and its allies, and that, in China’s eyes, often appears insensitive to core Chinese interests. As noted at the beginning of this chapter, therefore, Beijing may adjust from time to time its assertive approach in the South China Sea and elsewhere in response to changing regional and global political dynamics of the moment, but such changes will not likely ever usher in a fundamental shift in overall Chinese strategy and primary objectives.

Much less clear, however, is what the practical implications of all this would be for U.S. strategy and military presence in the region. For example, what would it mean in operational terms if China really was able to deny U.S. forces ready access to first island chain waters, especially in the South China Sea? What, specifically, would the U.S. Navy and U.S. Air Force no longer be able to do or only with greater difficulty and perhaps less effectively? What would the broader political and economic implications be of a China that could dominate the South China Sea, and, by extension, improve its strategic posture and its capacity to act to the north, east, and south of that sea? Would the credibility of America’s forward presence and security guarantees to regional allies and partner states be drawn sharply into question? Would other major powers in the region, such as Japan, South Korea, Australia, and even India, not to mention Taiwan, be more inclined to accommodate China on matters of regional security? How likely is it that the United States, alone or in concert with local allies and partners, will be able to fashion a credible counter to China’s gray-zone activities? What, moreover, would Chinese dominance in the South China Sea mean for the security and cost-effectiveness of the major commercial shipping routes passing through the South China Sea and its environs? Would more southern passageways below the Philippines or even Australia become more affordable and attractive? Would alternative routes like those slowly opening in the Arctic become more appealing and feasible, and, if so, how might that affect energy and commodity prices, and transport costs including those charged to Beijing?

Finding comprehensive answers to these and related questions may not be possible over the near term, but getting started on that task certainly is, and doing just that is the primary focus of this report. Toward that end, and against the backdrop of this introductory chapter reviewing the reasons why China seeks control of the South China Sea, chapter 2 delves more deeply into how it intends to achieve – and is, in fact, already on its way toward achieving – that goal. The emphasis here will be on China’s development of military and paramilitary capabilities that it could leverage (and has leveraged) to establish a more commanding presence in the South China Sea, how it has done just that over the past few years, and what broad strategic posture adjustments the United States might consider adopting in response. Chapter 3 will then explore in greater detail a number of the more specific operational implications associated with China’s rise as a more potent maritime power, how it might use that power in future South China Sea-related scenarios, and how the United States – and, when appropriate and feasible, its regional allies and partner states – might best respond. Finally, chapter 4 will offer some overarching recommendations on ways in which Washington can more effectively manage Beijing’s drive for greater control in and around the South China Sea, and, in so doing, reduce the potential for surprise and miscalculation in this critical maritime zone, strengthen the level of U.S. credibility within the region as a whole, and minimize as a result the likelihood of any unintended conflict.
Chapter 2

China’s Maritime Challenge and Broad Strategic Implications for U.S. Policy

Although China may seek to avoid any major confrontation with the United States ahead of the politically sensitive 19th congress of the Chinese Communist Party, Beijing has nonetheless made it clear that it intends to continue to militarize the island positions it has already established in line with its longer-term goal of achieving strategic dominance within (and over) the South China Sea as a whole. Signs of Chinese assertiveness, therefore, including expansive maritime claims and large-scale militarization of features in the South China Sea, disruptive diplomacy aimed at undermining a common ASEAN response, continued disregard for international legal frameworks such as the United Nations Convention on the Law of the Sea (UNCLOS), and growing reliance on economic policies and maritime paramilitary forces to coerce other states in Asia, will likely persist and intensify in the foreseeable future. What’s more, by attempting to unilaterally change the accepted rules allocating jurisdiction over geographic features, Beijing is expertly creating problems for its Asia-Pacific neighbors and the United States, all aimed at fostering a new, China-led security order in the region, in which it holds a key position as an arbiter. This certainly accords with the view of the commander of U.S. Pacific Fleet, Admiral Harry Harris, who recently stated as fact in a Senate Armed Services Committee hearing that the People’s Republic of China (PRC) is seeking “hegemony in East Asia. Simple as that.” And as Chinese expert Shi Yinghong, who has served as an advisor to the State Council, China’s cabinet, for the past five years, explained in April 2016, China’s resurgence and its quest to seize control of the sea “will be based on an arms buildup and the strategic ability to go tit-for-tat with the U.S.” so as to force Washington to finally “recognize Chinese preponderance” and cede a sphere of influence to Beijing, particularly in the South China Sea.¹

Toward that end, the PRC has begun to emphasize its “indisputable” maritime sovereignty rights more vigorously in recent years, and the top leadership in Beijing is now steadily prioritizing the development of capabilities required to defend these asserted rights and to exert much greater influence over China’s near seas and beyond. Indeed, the country’s latest defense White Paper, released in May 2015, for the first time publicly outlined the need for a stronger national focus on the maritime domain, placing a premium on the naval combat readiness of the PLA’s forces. The document further

underscored China’s offshore active defense strategy and urged a greater Chinese maritime presence outside territorial waters, stating that the “traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests.”

Chinese military leaders have focused in particular on developing anti-access and area denial capabilities in the form of submarines, precision-guided land-attack cruise missiles, anti-ship ballistic missiles, long-range surface-to-air missiles, anti-satellite weapons, and advanced long-range intelligence, surveillance, and reconnaissance (ISR) assets, among others. The ultimate goal of PLA strategists is to use these improved capabilities to counter American naval superiority and a potential U.S. military intervention across the Pacific, triggered potentially by a regional contingency, such as a conflict over Taiwan, the Senkaku Islands, or perhaps a clash spawned by China’s efforts to limit or deny lawful military endeavors in the region’s international waters and skies. Significantly, Chinese leaders have demonstrated recently a willingness to tolerate much higher levels of regional tension and to risk short-term reputational costs to maximize longer-term strategic gains with respect to sovereignty claims. In essence, as many analysts argue, China hopes to gain a free hand in its home region by successfully convincing Washington to “restrain itself,” or essentially impose on itself an anti-access strategy, with respect to any confrontation involving Chinese maritime interests in the Asia-Pacific, or else risk escalation and direct conflict with the PLA.

China’s Rapid Military Modernization

Largely in pursuit of this key objective, Beijing has embarked on a massive reorganization and modernization of its armed forces, with significant investments in the types of naval and air capabilities that would enable the PLA to operate at much greater distances from the Chinese mainland, and even beyond the Pacific, as well as to defeat or counter third-party (including U.S.) power projection or intervention during a crisis in the East and South China Seas. As noted in the Pentagon’s annual report to Congress, released in May 2016, China’s sweeping military modernization is aimed at producing the kinds of capabilities “that have the [greatest] potential to reduce core U.S. military technological advantages” in the area, and which can most quickly threaten U.S. bases and forward-deployed forces in the Pacific as well as limit America’s access to the Chinese littoral region. As part of these modernization efforts, for example, the PLA is rapidly improving integrated air defense networks for theater contingencies and is also developing and testing new intermediate- and medium-range conventional ballistic missiles as well as

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long-range, land-attack, and anti-ship cruise missiles, which once operational would further extend the Chinese military’s reach and its ability to push adversary forces away from a potential regional conflict. Of further concern as well, as stated in the Pentagon’s May 2017 report to Congress, is China’s total military-related spending, which is estimated to have surpassed $180 billion in both 2015 and 2016, indicating that the country’s military budget has risen at a steady pace of roughly 10 percent annually over the past decade. By all accounts and Department of Defense (DoD) estimates, Beijing is expected to continue to support defense spending increases at comparable levels for the foreseeable future, potentially reaching $260 billion by 2020.7

China’s growing emphasis on maritime power as a way to achieve global reach and influence is clearly reflected in the constantly expanding capabilities of the Chinese navy. Over the past few years, for instance, the PLAN has significantly increased in size, and today it possesses “the largest number of vessels in Asia [excluding the U.S. Navy], with more than 300 surface ships, submarines, amphibious ships, and patrol craft.”8 China commissioned its first aircraft carrier, the Liaoning, in 2012 and has already begun construction of its first indigenous aircraft carrier, which is expected to have larger hangar space designed to accommodate more aircraft. In addition, Chinese forces are operating at a higher tempo, in more places, and with greater sophistication than ever before. To complement the Liaoning, for example, Chinese shipyards are constructing the country’s first cruiser-sized warship and several new classes of guided-missile destroyers (DDGs), frigates, and patrol boats, including Type 052C and Type 052D destroyers, supplemented by Type 054A frigates and a larger Type 055 guided-missile cruiser. The Type 055 warship in particular, China’s first heavy destroyer launched in late June 2017, is also the largest surface combatant vessel built by an Asian power since World War II, boasting extensive command and control and battle management systems, coupled with numerous stealth features that reduce its visibility, such as a fully enclosed foredeck and an integrated mast.9

Equipped with active phased-array radars, these vessels are certain to provide Chinese carrier strike groups with long-range anti-aircraft warfare (AAW) support, thus addressing Beijing’s longstanding problem of weak air defense and making its navy more formidable in the face of possible opposition from Japan or other Asian naval and air forces.10 Indeed, according to military observers, if current rates of production continue, by 2018, the PLAN will likely procure more phased-array radar-equipped destroyers than its largest competitor in the region, Japan, with the ability to concentrate more such vessels than the U.S. Navy.11 Additional naval assets and small combatants, including the new, highly capable Type 056 corvettes, are being upgraded to anti-submarine warfare (ASW) variants with a towed array sonar that will further augment the PLAN’s littoral warfare capabilities. Together with the many Type 022 missile-armed fast attack craft, which are equipped with anti-ship cruise missiles and low-radar signature, these vessels pose a substantial threat to any ships entering the China seas or adjacent waters.

Meanwhile, the Chinese air force, which is already the largest in Asia and the third-largest in the world, continues to modernize its naval aviation with newly built airframes that can mount sea-skimming supersonic anti-ship cruise missiles (ASCMs). The PRC is also the only country other than the United States to be pursuing two concurrent stealth fighter programs, and China’s fifth-generation fighter force, which could enter service by 2018, will significantly improve its existing fleet of fourth-generation and 4.5-generation aircraft, such as the J-10, J-11, and Su-30, allowing it to support regional air superiority and strike operations. In fact, according to news reports from early 2017, up to a dozen of China’s fifth-generation J-20 stealth fighter aircraft may have already entered operational service with the PLA Air Force (PLAAF) to date. It is speculated that the twin-engine fighter jet, China’s answer to the American-made and highly capable F-22 Raptor, is likely designed to attack U.S. support aircraft, including tankers, with Beyond Visual Range Air-to-Air Missiles (BVRAAM) launched from the aircraft’s internal weapons bay in the event of war.

While the PRC’s dramatic improvement of air- and ground-based missile strike capabilities has garnered a great deal of attention in recent years, many analysts find that Beijing’s less heralded development of quieter, more sophisticated submarines poses an even more immediate threat, especially to U.S. surface ships that might be operating in a conflict centered on Taiwan or the Spratly Islands in the South China Sea. Unlike the Taiwan Strait Crisis of 1996, when China was reportedly unable to even find two U.S. warships in the waters within the first island chain, now, according to a major assessment by RAND, China would be able to reliably “locate and attack” U.S. carrier-strike groups far from the mainland, “at distances of up to 2,000 kilometers from its coast,” and Chinese submarines could “target an American flattop several times during a weeklong campaign” as part of such a scenario. Beijing’s strategic underwater capabilities, in that regard, are significant, and the PLA continues to invest heavily in its ever-expanding submarine force, with newer, more capable submarines continuously replacing older ones. The Jin-class ballistic missile submarine (Type 094), for example, which carries the JL-2 submarine-launched ballistic missile capable of reaching parts of the continental United States, stands as Beijing’s first credible sea-based nuclear deterrent. Moreover, China has now deployed the new YJ-18 anti-ship cruise missile on a number of PLAN submarines and other naval platforms. The YJ-18 ASCM’s supersonic speed and reported range of 290 nautical miles (nm), nearly fifteen times more than the 20 nm range of its predecessor (the YJ-82), combined with China’s long-distance submarine deployments in recent years, will pose serious challenges for U.S. Navy surface ship operations in the region and could hold at risk a carrier strike group in the Western Pacific and perhaps as far away as the Indian Ocean. As noted in a 2015 congressional commission report, “it appears that China’s increasing ASCM inventory has increasing potential to saturate U.S. Navy defenses.”

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13 It remains unclear exactly how many J-20 fighters are currently in service, but most estimates vary from 6 to 12. For more on the J-20’s capabilities and challenges, see Franz-Stefan Gady, “China’s First Fifth-Generation Fighter Jet Enters Service with the PLAAF,” The Diplomat, March 14, 2017.
Of course, these substantial gains and advancements in capability do not imply that the Chinese military has acquired a global reach yet or that it has caught up to U.S. forces in terms of overall quality, sophistication, or numbers of high-end systems. In fact, as experts caution, by many standards, the PLA continues to lag far behind the U.S. military in a number of important areas and platforms. For example, it is only now readying its first aircraft carrier, while the United States already operates ten full-sized carriers, backed by nine additional amphibious assault ships capable of supporting fixed-wing aircraft. However, as illustrated in one influential 2015 report, the Chinese military does not necessarily have to catch up to, or overtake, the U.S. military “in terms of quality, or even the number of high-end naval or air systems,” in order to mount a serious challenge to U.S. forces and potentially emerge victorious in a conflict. Indeed, fighting near the Chinese mainland endows PLA forces with enormous geographic and operational advantages. This is especially true in the near seas, including the East and South China Seas, where the PLAN, which already outmatches every regional navy, can both succeed in establishing control of the waters out to the first island chain and at the same time engage in sea-denial operations, potentially overwhelming any response from an adversary even today.

What’s more, Beijing does not need to fully close any capability gaps to have a decisive impact, since it is already shaping events in the South China Sea (SCS) and elsewhere through the imaginative use of military and paramilitary instruments, such as the increasingly capable Chinese Coast Guard and maritime militia elements, including fishing boats, which have emerged as the front-line forces for China’s assertive policies around its littoral. As noted in the Pentagon’s 2016 and 2017 reports to Congress, Chinese leaders are now frequently leveraging tactics short of armed conflict to coerce Southeast Asian states and challenge other claimants into making concessions with regard to China’s massive territorial and maritime sovereignty claims inside its legally unfounded “nine-dash line,” which encompasses most of the South China Sea. As discussed briefly in the previous chapter as well, these “gray zone” activities, calculated to fall below the threshold of provoking the United States or its allies and partners, are effectively concealing Beijing’s hard power behind the seemingly more benign image of white-hulled coast guard and law-enforcement forces, even though the PLA equips many of them with arms and is deploying those forces as weapons in both greater numbers and tonnage than all other nations bordering the South China Sea combined. As one prominent U.S. military analyst pointed out in 2015, China has become adept at using “government-controlled fishermen below the radar to get the bonus without the onus to support its South China Sea claims,” adding that this trend represents “a phenomenon little-known or understood in the U.S.,” even though such maritime militia forces have participated in some of Beijing’s most important military and paramilitary operations in the area. Indeed, Chinese fishing boats, as well as unarmed and lightly armed surveillance and law-enforcement ships, acted as an unofficial auxiliary to Beijing’s aggressive measures in the

17 Ibid.
18 Cheng, “China’s Pivot to the Sea.”
19 Cronin, “Maritime Asia: Responding to the China Challenge.”
Weighing the Consequences of China’s Control Over the South China Sea

2012 standoff with Manila at Scarborough Shoal within the Philippine Exclusive Economic Zone, and are playing an important role in the PLA’s current pressure on the Philippine presence at Second Thomas Shoal, among others.\textsuperscript{21}

China’s approach reflects what Chinese general Zhang Zhaozhong recently called a “cabbage strategy,” a method that the PLA successfully employed to seize Scarborough Shoal as well. By gradually surrounding, or wrapping, a claimed island “layer by layer like a cabbage” with small vessels and multiple layers of security, Chinese forces can keep out the ships of others and effectively deny access to a rival.\textsuperscript{22} The strategy, furthermore, seeks to ensure that the initiative remains with China at all times, relying heavily on the element of surprise and a steady progression of incremental steps, or incursions, to outwit opponents and limit their options for retaliation.\textsuperscript{23} In this way, the PLA successfully employs not one but three major sea forces to press its claims in the South China Sea, with Beijing’s “less noticed” maritime militia, including fishermen, acting as a first line of defense, or a so-called “third sea force” of “blue hulls.” Increasingly, these state-organized and state-controlled militia forces—often referred to as China’s “little blue men,” after Russia’s paramilitary “little green men” who have played decisive “hybrid war” roles in Crimea and elsewhere—have been operating in concert, “under a direct military chain of command,” with the PRC’s coast guard, or “white hulls,” and its navy of “gray hulls” as a backstopping force, especially in gray-zone situations aimed at altering the status quo but without resort to traditional warfare that would raise the risk of escalation.\textsuperscript{24} At Second Thomas Shoal, for example, which is located 105 nautical miles from the Philippines and about five times farther away from China, Beijing has been using a small flotilla of coast guard vessels to strangle a Philippine military garrison stationed on the shoal since 1999, employing its cabbage tactics to temporarily block at times Manila’s ability to resupply its forces there with provisions.\textsuperscript{25} This is all part of Beijing’s broader SCS strategy of wielding non-military instruments to consolidate disputed claims where it can, delay resolution of issues it cannot yet settle in its favor, and coerce potential opponents while limiting the prospect of escalatory moves (or threats thereof) by those who may oppose China’s claims and its efforts to render them faits accomplis.

China’s irregular sea force has thus become one of the most important, yet most under-considered, factors affecting U.S. security interests in the South China Sea. The Chinese third sea force is also virtually the only one charged with advancing disputed maritime claims. What’s more, leading elements of Beijing’s naval militia would likely play a frontline role in many of the most probable scenarios in the future, perhaps concerning Chinese interference in U.S. and allied Freedom of Navigation operations (FONOPs) or deterring potential regional opponents. The third sea force has already done so in a range of international incidents in the South China Sea, including, among many others, China’s 2009 harassment of the American survey ship USNS \textit{Impeccable}, its 2012 seizure of Scarborough Shoal, and the 2014 ramming and sinking of Vietnamese fishing vessels near a Chinese oil rig placed in disputed waters.

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{21} Holmes, “A Competitive Turn.”
\item \textsuperscript{22} Gordon Chang, “Appeasing China,” \textit{The National Interest}, March 19, 2014.
\item \textsuperscript{23} Brahma Chellaney, “China’s Creeping ‘Cabbage’ Strategy,” \textit{Taipei Times}, December 1, 2013.
\item \textsuperscript{24} See Michael Green et al., \textit{Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence}; Andrew Erickson, “The South China Sea’s Third Force: Understanding and Countering China’s Maritime Militia,” Testimony before the House Armed Services Committee, September 21, 2016.
\item \textsuperscript{25} Gordon Chang, “Appeasing China.”
\end{itemize}
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Regional Maritime Law Enforcement Comparison, 2015


As the commander of U.S. Pacific Command, Admiral Harry Harris, remarked in a statement in February 2016, by growing a fleet of fishing vessels and white-hull ships, whose purpose is to “dominate the area without the appearance of overt military force,” China is taking actions that create new facts on the ground and is unilaterally changing the status quo in the SCS through “coercion, intimidation, and force.”

And although in recent years the PLA has used its third sea force against both military and civilian ships and crews of its immediate neighbors and the United States, to date, according to one influential observer, no American government report or Washington-based executive branch official has publicly commented on China’s maritime militia at all. As a result, many agree that U.S. policy remains sorely under-informed, America’s regional allies and partners are confused, and Beijing is emboldened. Even more alarmingly, rather than admit that parts of the South China Sea are contested — thus granting fellow claimants some measure of legitimacy — China behaves as though its sovereignty is fact, holding its military might “in reserve as a recessed deterrent or coercive option” that Southeast Asian states know would be deployed if they challenge Beijing’s wishes. According to a prominent U.S. military expert, the Chinese leadership may in fact believe it has found a winning formula in the use of this “small-stick diplomacy,” a similar version of which it has also applied against Japan in their dispute over the Senkaku Islands, refraining thus far from deploying the “big stick of its naval force.”

Aside from its growing arsenal of military, paramilitary, and law enforcement capabilities, the PRC has also used a variety of other methods to intimidate and pressure its neighbors. Significantly, one of China’s most important approaches, according to analysts, is the “Three Warfares” strategy, a PLA information warfare concept aimed at preconditioning key areas of competition in its favor by employing, in particular, the elements of psychological warfare, media warfare (also known as public opinion warfare), and legal warfare (or “lawfare”) with very specific and interconnected aims. Accordingly, Beijing uses this dynamic three-dimensional war-fighting process “as an offensive weapon capable of hamstringing” adversaries and as a multi-pronged strategic tool designed to fight “war by other means,” specifically by seeking to influence and disrupt an opponent’s decision-making capability, manipulate perceptions and attitudes, and exploit the legal system to achieve political objectives, be it in peacetime or war. Indeed, former president Jiang Zemin famously stated in 1996 that Chinese lawyers “must be adept at using international law as a ‘weapon’ to defend the interests of our state and maintain national pride.” And, as many experts note, China continues to attempt to “shape international opinion in favor of a distorted interpretation of the Law of the Sea” by conjuring law, for instance, to inform excessive claims to territory and resources, creating flawed and “bogus” maps to justify those claims, or selectively using provisions in UNCLOS to limit foreign military activities in Southeast Asian EEZs, all aimed at extending the PRC’s administrative writ and power projection into the South China Sea.

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28 Erickson, “The South China Sea’s Third Force.”
29 Holmes, “A Competitive Turn.”
30 Holmes, “A Competitive Turn.”
31 One of the first U.S. definitions of the Three Warfares concept can be found in the Pentagon’s 2011 Report to Congress. See Stefan Halper, China: The Three Warfares, May 2013.
33 James Kraska and Brian Wilson quoted in Michael Green et al., Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence.
34 Stefan Halper, China: The Three Warfares; Michael Green et al., Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence.
Although Beijing’s precise objectives at present remain unclear, the PRC’s focus in the South China Sea littoral appears to be centered on using various components of the Three Warfares strategy, such as perception management and psychology manipulation, rather than on employing kinetic engagement and force, guided no doubt by the relatively new belief among PLA strategists that “whose story wins may be more important than whose army wins.” After all, the warfare trilogy provides Beijing with a relatively low-cost, high-benefit “playbook for resource acquisition and conflict management” in the SCS and elsewhere. Over the next decade or so, however, many analysts expect the PLA to further threaten U.S. power projection and naval presence in the region by applying the Three Warfares to potential scenarios involving American allies and friends, such as Taiwan. In this particular case, military observers argue, China’s key tactic will be to determine the areas where U.S. vessels (surface and sub-surface) are operating now and also where they might need to be positioned in the event they have to intervene, at which point the PLA can move to occupy these areas using obstructionist means including, for example, the deployment of hundreds of fishing boats and nets as well as other maritime militia units. By leveraging the civilian maritime arm of its irregular sea force, China can then choose to “remain passive in close range situations,” presenting to the outside world the image of a “peaceful China vs. an aggressive U.S. Navy.” In recent years, moreover, Beijing has begun applying its vast economic wealth as another method to coerce the South China Sea littoral claimants and resolve regional disputes in its favor. China’s sizeable economic pressure on the Philippines in 2012, for instance, was decisive in forcing Manila to withdraw from the Scarborough Shoal standoff. Likewise, during a maritime crisis, Chinese leaders can easily use their economic clout to prevent smaller states in the South China Sea from providing facilities and other support needed to service U.S. naval operations, thereby denying them a favorable political environment. Together with the third sea force and other gray-zone strategies described earlier, the Three Warfares will likely remain one of China’s preferred methods of coercion and applying pressure in the region for the foreseeable future.

**Chinese Maritime Claims in the SCS**

In addition to its comprehensive force modernization, in recent years, China has also steadily accelerated the velocity and extent of its enormous land-reclamation efforts in the South China Sea. As alluded to above, Chinese officials have long claimed ownership and “indisputable sovereignty” over features and outcrops in the Spratly and Paracel Islands, as well as elsewhere within the waters bounded by the legally ambiguous nine-dash line inscribed on Chinese maps of the region, even though Beijing has never publicly explained or published the exact coordinates of this line. Chinese commentators frequently refer to China’s “three million square kilometers of blue territory,” which envelopes about 90 percent of the major seas within the first island chain, and President Xi Jinping declared

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35 Stefan Halper, *China: The Three Warfares.*  
36 Ibid.  
37 Ibid.  
38 Ibid.  
39 Ibid.
before China’s Politburo in January 2013 that “no foreign country should ever nurse hopes that we will bargain over our core national interests.” As part of its campaign to secure acceptance for its maritime claims, China has embarked on a flurry of land reclamation projects in the South China Sea, and in less than two years, Beijing was able to transform seven of its eight Spratly features from previously submerged reefs into artificial islands. According to U.S Department of Defense figures, between December 2013 and late 2015 alone, China added more than 3,200 acres of land to the seven outposts in the Spratly archipelago, while other SCS claimants, including Vietnam, the Philippines, Malaysia, and Taiwan, reclaimed about 50 acres of land over the same period.

**Competing Claims in the South China Sea**

![Map of the South China Sea](image)

The PRC’s massive island-building activities have sparked growing environmental concerns as well, as the sand and gravel that Chinese dredgers have been depositing on the atolls may have permanently destroyed the coral reefs beneath, damaged the surrounding fisheries, and breached international law on protecting the fragile ecosystem of the South China Sea. As noted in a U.S. commission report to Congress, published in April 2016, prominent marine biologists and ecologists have called this the most rapid rate of permanent loss of coral reef area in human history.

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The PLA is now well on its way to turning these artificial island projects into operating bases for forward-staging military capabilities, under the rubric of being civilian facilities. Importantly, China has begun installing military equipment and facilities at all seven of the reclaimed bases, including new or improved radars, sophisticated communications systems, anti-aircraft batteries, deep-water port facilities, and at least three airfields, each with 3,000-meter-long runways capable of accommodating any Chinese fighter jet, long-range strategic bomber, or other military aircraft. In April 2016, for example, China landed a military plane on its man-made airbase at the disputed Fiery Cross Reef in the Spratlys, where civilian aircraft began test flights several months earlier, in January 2016. U.S. officials and analysts widely expect that additional substantial infrastructure, including surveillance systems to improve situational awareness, will be built on these features in the coming year. China is even openly discussing plans to construct mobile nuclear power plants to provide electrical power to the islands. Elsewhere in the South China Sea, in February 2016, Beijing placed advanced HQ-9 surface-to-air missiles (SAMs) on the contested Woody Island in the Paracel Islands group, located north of the Spratlys and about 250 miles southeast of Hainan Island, which is home to one of China’s main submarine bases. Just months earlier, in late 2015, China also deployed sixteen advanced J-11 fighter jets on the island, giving it the ability to control the airspace around the Paracels as well as to operate deeper into the South China Sea by hundreds of miles. As U.S. Pacific Command (PACOM) Commander Admiral Harris pointed out in his recent testimony before Congress, the sheer scale and scope of these projects “are inconsistent with China’s stated purpose of supporting fishermen, commercial shipping, and search and rescue.” Given the latest evidence, he added, “China is clearly militarizing the South China Sea and you’d have to believe in a flat Earth to think otherwise.”

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42 Adm. Harry B. Harris Jr., statement before the Senate Armed Services Committee on U.S. Pacific Command Posture.
Chinese Construction in the Spratly Islands

By far, China’s most significant base-building has been concentrated at its larger artificial islands in the Spratly archipelago, also known as the “big three”: Fiery Cross, Subi, and Mischief Reefs. Interestingly, according to U.S. military experts, even before constructing the islands, China could easily have overwhelmed its regional competitors by employing naval surface action groups, an aircraft carrier, and land-based aircraft. Moreover, merely one of the new outposts, with dozens of aircraft, would have provided Beijing with an even greater overmatch against local rivals. Instead, the Chinese have now created three sizeable islands, each equipped with high-capacity water ports and facilities that appear large enough to host a fighter regiment (or brigade), and each with more than 24 hangars under construction to allow all of a typical Chinese regiment’s fighters to be maintained indoors on every island. To put that into perspective, three such air regiments on the three islands would add up to a fighter division, a formation consisting of some 17,000 personnel, indicating, according to military experts, that these are not intended as small airfields for occasional visiting aircraft, but are likely meant to enable China to deter or counter a potential U.S. intervention in the region.

43 Thomas Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think,” War on the Rocks, September 20, 2016.
44 Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
As part of such plans, moreover, Beijing could well be preparing the deployment of the anti-access and area denial (A2/AD) system-of-systems that already worries military planners in the United States.\textsuperscript{45} Given that already in 2016 China placed advanced HQ-9 surface-to-air missiles (SAMs), YJ-62 anti-ship cruise missiles (ASCMs), and 16 J-11 fighter jets on the contested Woody Island in the Paracel Islands group, one could reasonably expect similar deployments to the “big three” as well, perhaps joined by the precision-strike ballistic surface-to-surface (SSM) and land-attack cruise missiles (LACMs) of the PLA rocket forces.\textsuperscript{46} The resulting effective missile ranges would in turn allow China, in a stroke, to have an “interlocking and mutually supporting SAM umbrella over most of the Spratlys,” bolstered by ASCM coverage over the heart of the South China Sea.\textsuperscript{47} The missiles on Woody Island, on the other hand, would not only defend China’s base there, but can also potentially threaten U.S. military flights in airspace extending over 100 miles from the island, a move that Beijing could easily follow up by placing anti-ship missiles to target U.S. Navy vessels.\textsuperscript{48} Consequently, where the U.S. military could previously have been able to operate out of “austere airfields” in the southern Philippines, beyond the range of conventional ballistic or ground-launched cruise missiles, China would now be able to strike, with either DF-21C land-attack ballistic missiles or CJ-10 cruise missiles, various American and allied facilities and airfields throughout the Philippines and even as far as Singapore.\textsuperscript{49}

So, too, areas of the Sulu and Celebes seas that would have been sanctuaries for U.S. aircraft carriers, beyond the range of DF-21D anti-ship ballistic missiles (ASBM), could now be within range of ASBMs launched from the island bases.\textsuperscript{50} Such a scenario would further challenge the ability of U.S. aircraft carriers and their embarked air wings to “operate at unfueled striking range (about 500 nautical miles) with reasonable levels of risk” in a Spratlys campaign.\textsuperscript{51} The situation would become even worse if China were to build and militarize a similar island base at Scarborough Shoal, which, as noted previously, China seized from the Philippines in 2012 and which has seen increased activity in recent months. If such a development should occur, as many fear it may soon happen, the Chinese government’s A2/AD coverage and ability to project power would easily encompass nearly the entire South China Sea in a way that Beijing was not able to do before from the mainland or from Hainan Island. To make matters worse, according to experts, since all of the premier Chinese A2/AD weapons systems are road-mobile, a major deployment of them could happen “almost overnight,” a nightmare situation facilitated greatly by the “big three” islands’ deep-water harbors, mentioned earlier, that appear able to accommodate large roll-on/roll-off transports, a single one of which could likely transport the necessary personnel, trucks, and transporters.\textsuperscript{52}

Indeed, the sobering prospect of a massed missile strike was the subject of a recent study by the U.S.-China Economic and Security Review Commission, published in 2016. In particular, the report expressed concern about the ability of a major U.S. military hub

\textsuperscript{45} Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
\textsuperscript{46} Ibid.
\textsuperscript{47} Ibid.
\textsuperscript{49} Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
\textsuperscript{50} Ibid.
\textsuperscript{51} Ibid.
\textsuperscript{52} Ibid.
on the Pacific island of Guam to defend itself against what could become a second Pearl Harbor-style surprise attack. China’s increasing conventional offensive missile forces have led to Guam’s growing importance to U.S. strategic interests given its key role in any potential warfighting operations in the Asia-Pacific. Such attacks could hold key U.S. assets stationed on Guam at risk as well as disrupt their region-wide response effort, slowing deployment timetables and reducing the effectiveness of American forces in the theater. Canada’s leaders, moreover, could become more willing to resort to military force in an existing crisis if they believed that they could successfully hold Guam at risk, thereby diminishing America’s ability to deter an escalation in the region, be it in the Taiwan Strait, the Korean Peninsula, or in the South China Sea. In essence, the report concludes, without Guam, Washington’s capacity to project military power in and around the East and South China Seas would be markedly reduced.

In just over five years then, the Chinese have impressively built at least 12 militarily significant facilities in the contested South China Sea, including three major fighter bases towards the center of the sea, each with protected facilities for dozens of long-range strategic bombers. Importantly, one of the most critical characteristics of China’s actions in these strategic waters has been the construction of a variety of radar installations and sophisticated communications systems across the majority of Beijing’s artificial features in the region, with new high-frequency radar facilities already installed on Cuarteron Reef, Fiery Cross Reef, Gaven Reef, Hughes Reef, Johnson Reef, Mischief Reef, and Subi Reef. While they may appear to be less escalatory than anti-air missile batteries or runways, radar installations are in fact of enormous use and importance to the PLA and a pressing concern for the United States and any other nation operating in the region. Together, these dispersed radar systems will significantly extend the PLA’s maritime domain awareness and its intelligence, surveillance, and reconnaissance capabilities throughout the South China Sea, and, in combination with China’s growing military and intelligence satellite network, they will likely also allow for better real-time tracking of vessels and other military assets within the entire region. In particular, the facilities that Beijing may already be planning for Scarborough Shoal would further expand this network to provide the Chinese with radar coverage over much of Manila’s strategic heartland, including Subic Bay naval base.

What’s more, according to recent reports, it appears that satellite uplink equipment is also being constructed on many of the SCS features. What this provides is a “more sophisticated and reliable over-the-horizon targeting capability” for China’s growing arsenal of anti-ship ballistic missiles, extending a more credible threat envelope of A2/AD coverage to moving targets, such as aircraft carrier strike groups (CSGs). This could emerge as an especially troubling concern for U.S. CSGs operating even in more distant (and presumably more secure) second-island-chain waters if Beijing actually deployed ASBMs on the artificial islands it has constructed in the SCS. In addition, these satellite-enhanced facilities will allow the PLA to conduct active jamming of other electronic

54 Wilson, “China’s Expanding Ability to Conduct Conventional Missile Strikes on Guam.”
56 Ibid.
57 Ibid.
sensors and radars throughout the region. After all, China already has a history of such activity in the South China Sea, with reports that it attempted as early as 2015 to jam the on-board equipment and disrupt the GPS uplinks of multiple American RQ-4 Global Hawk surveillance aircraft.

Looking ahead, electronic warfare (EW) operations in the SCS are expected to increase in the future, particularly as the PLA’s radar infrastructure comes more fully online and, as it appears, Chinese air force assets begin to operate more fully in the region. The electronic spectrum, largely out of sight of the public eye, is thus quickly becoming an area of a “growing action/reaction dynamic between China and the United States” in the South China Sea. This was illustrated recently on the tactical level by the deployment of four U.S. Navy EA-18G Growler electronic attack aircraft to the Philippines in June 2016. The Growler, in particular, is known for its ability to jam radars like those being installed on China’s newly built artificial islands. It is, therefore, plausible, according to experts, that we might see a scenario developing that has American EW assets focusing on China’s radar infrastructure across the South China Sea, with “the PLA’s burgeoning electronic attack and defense capability attempting to defend” these new electronic mission systems. And while more EW capabilities could certainly be transferred to the region in an effort to control or disrupt domain awareness, a critical aspect of coordinating military forces across the Asia-Pacific for both sides, such an increase in future electronic warfare capabilities may at the same time be viewed as a less obvious and less aggressive way for U.S. forces to support their Southeast Asian allies in the region.

In the meantime, however, Beijing is beginning to apply Chinese domestic law to all claimed areas, and it continues to harass and arrest foreign fishing and other vessels in waters of the South China Sea. In essence, as one observer recently commented, the Chinese government appears intent on turning most of this vital maritime thoroughfare into something approaching an “internal waterway.” It is doubtful, moreover, that the July 2016 Hague ruling, which struck down China’s excessive claims, will dissuade Beijing from seeking control of the South China Sea. Indeed, in the aftermath of the international tribunal’s ruling, China’s defense minister exhorted the nation to gird itself for the “people’s war at sea” to protect its claims.

Undoubtedly, the PRC’s newly built islands in the Spratlys will markedly bolster its power projection capabilities and its ability to patrol the southern portion of the South China Sea. At a minimum, the airstrips and high-capacity water ports on Fiery Cross and Mischief Reefs in the archipelago, as discussed above, could serve as diversion and resupply points for Chinese military ships and planes that otherwise would not have the range to operate safely in the South China Sea. Similarly, the PLA could use the new

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59 Ibid.
60 Ibid.
61 Ibid.
62 Ibid.
63 Ibid.
high-frequency radar facilities installed on the islands to “scramble fighter jets to intercept, tail, and attempt to evict” incoming military or other aircraft over these hotly contested waters, a scenario that could turn the SCS into a dangerous theater of frequent near-misses and even clashes.67 And even though experts agree that the artificial islands do not provide China with additional, legally recognized sovereignty rights over neighboring waters, the new installations will effectively allow China to maintain a persistent and flexible coast guard and military presence in the area, greatly improving the PLA’s capacity to detect and challenge activities by rival claimants or third parties, while at the same time widening the range of its capabilities and reducing the time required to deploy them.

Taken together, all of China’s recent actions in the SCS speak to the country’s long-term anti-access strategy, and each new outpost in that regard can be viewed as a useful stepping stone for Beijing to systematically extend its network of militarized bases throughout its claimed territories in the South China Sea, and perhaps beyond. Moreover, if the PLA deploys SAMs and jet fighters on its larger artificial islands in the Spratlys, as many anticipate, China will effectively be establishing control over the airspace throughout nearly the entire South China Sea, seriously threatening freedom of overflight.68 Given that none of China’s neighbors and rival claimants can currently match its military buildup or forcibly eject it from its new bases on contested features, Beijing, according to analysts, is in fact betting that its actions will result in the neutralization of any opposition over time and that all regional capitals will eventually accept its predominant position in, and control over, this energy-rich and heavily trafficked sea.

Indeed, these military developments are already expanding Beijing’s strategic reach and boosting its confidence. By May 2015, for example, the PLA was actively moving to restrict freedom of navigation and overflight over its occupied outposts, with radio operators openly challenging foreign ships and planes that are operating in the area, warning them to stay away, according to U.S. officials. In a mid-May 2015 incident, the Chinese navy delivered repeated warnings to a U.S. Navy P-8A Poseidon aircraft, which was flying through what is widely seen as international airspace over the disputed Spratly Islands, telling it to leave immediately. At least one of the verbal challenges came from an early-warning radar station located close to the new airstrip on Fiery Cross Reef, according to U.S. personnel on board the aircraft. The Philippines has complained that similar warnings were delivered to its own civilian and military aircraft throughout the same year, even over Philippine territory in the SCS. Mayor Eugenio Bito-onon, the leader of the community on Philippine-administered Thitu Island in the Spratlys, has called the PLA’s radio warnings an “act of intimidation” that illustrates “the threat to freedom of flight in the region.”69

More recently, in March 2016, a Chinese frigate sent a threat warning to the U.S. Navy cruiser Chancellorsville, which was sailing near Mischief Reef in the Spratlys, where the PLA is building a military base in defiance of claims by Vietnam and the Philippines. The frigate, which repeatedly disregarded freedom of navigation rules, was accompanied by a Chinese helicopter and later replaced by a destroyer, all of which followed the American

68 Ibid.
vessel until it left the South China Sea. Just weeks later, two Chinese fighter jets flew “dangerously close,” within fifty feet, of an American surveillance aircraft that was on patrol in international airspace. A spokesman for the Chinese Ministry of Foreign Affairs later told a daily news briefing that Beijing “requests that the United States immediately halt this kind of surveillance, thereby avoiding the recurrence of such incidents.” Amid rising tensions as well, in April 2016, China denied a U.S. carrier strike group’s request for a routine port visit to Hong Kong, even though five Chinese warships were given public permission by Washington the previous year to operate in the Bering Sea, within twelve nautical miles of the coast of Alaska, and China has repeatedly sent intelligence collection ships inside undisputed U.S. EEZs around Guam and Hawaii. These and similar events have caused widespread concern among U.S. officials and regional governments that China may be close to declaring an air defense identification zone (ADIZ) over parts or all of the South China Sea, much as it did in 2013, when it unilaterally proclaimed an ADIZ above contested waters in the East China Sea.

Responding to the China Dilemma

Against this backdrop, many officials have started wondering how Asia-Pacific countries and the United States should best respond to China’s growing assertiveness and abrasive behavior in maritime disputes. Compounding the problem is the fact that Beijing appears quite comfortable in escalating the military competition in the region and steadily refused to back down in response to the hesitant and at times fickle moves by the Obama administration to push back against Beijing’s expanding presence in the area. Although the Pentagon’s new Asia-Pacific Maritime Security Strategy, released in August 2015, details China’s destabilizing activities in the East and South China Seas, critics have pointed out that it falls short of articulating a dedicated strategy to impose significant costs on the PRC. As a result, several recent U.S. measures designed to safeguard the freedom of navigation, America’s chief stated interest in the South China Sea, have been unsuccessful so far at countering China, and senators from both sides of the aisle in Washington have repeatedly called for a more robust U.S. response to China’s maritime expansionism, arguing that Beijing is not paying any price for its actions while regional allies are questioning American commitment to Asian security. The chairman of the Senate Armed Services Committee, Senator John McCain, commented recently that the PRC is behaving less like a “responsible stakeholder” and more like “a bully” in the Asia-Pacific region, charging that the Obama administration’s risk aversion has failed to adapt to the challenge and to prevent China’s coercive behavior.

Washington has been particularly worried about getting involved in a possible clash with China’s risk-taking leadership in the wake of the decision in July 2016 by a UN-appointed arbitration panel in The Hague that China was indeed making excessive claims

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72 Huxley and Schreer, “Standing Up to China.”
about its maritime sovereignty in the South China Sea, especially in the Spratly Islands area. More specifically, both the Obama and Trump administrations have been concerned that a conflict could erupt between China and the Philippines over Scarborough Shoal that could drag in the United States, given that, as noted earlier, the shoal is located well within the Philippines’ EEZ, that Beijing’s seizure of the shoal in 2012 was clearly illegal (and confirmed as such by the Arbitral Tribunal), and that the U.S.-Philippine Mutual Defense Treaty commits both parties to support each other if either one was attacked by an external party. In fact, the prospect of such a confrontation was greatly heightened in March 2017, when the provincial administrator of Beijing’s land claims in the region told Chinese state media that work would soon begin on an “environmental monitoring station” (along with docks and other infrastructure) on Scarborough Shoal, just 185 nautical miles from the Philippine capital. As former Philippines National Security Advisor, Roilo Golez, later explained, China planned to build an airfield, a radar facility, a government administrative center, and living quarters on the fragile coral atoll. The immediate reaction of the Philippines’ newly elected president, Rodrigo Duterte, was to express his frustration at being powerless to deter China’s island building on Manila’s doorstep. “We cannot stop China from doing this thing,” Duterte said.

For its part, China had declared well before the July ruling that it would not accept or abide by any decision issued by the Arbitral Tribunal that went against the PRC, threatening that it might also cease cooperating with the UNCLOS dispute settlement process and with other international institutions with which it disagrees. Even after Duterte announced during a state visit to China in October 2016 that he was “separating from the United States” and aligning with Russia and China, the Chinese foreign ministry, for example, reiterated Beijing’s claims of sovereignty over Scarborough Shoal, and stressed that China’s jurisdiction over the shoal would not change. If China holds to this view and appears ready to back it up with military force, Washington, according to former assistant secretary of state for Asia, Kurt Campbell, could soon be facing “another red line moment where it has to figure out how to carry through on past warnings.”

China’s recent announcement on Scarborough Shoal, therefore, posed a serious dilemma for both Manila and Washington. Although it remains unclear as to what happened next, in the face of a gathering storm of formal and private diplomatic protestations by the Philippines and the White House, a Chinese government spokesman suddenly denied that Beijing had any plans to build facilities on Scarborough Shoal. Many observers will undoubtedly assume that the crisis has been defused, but such thinking would be highly premature. In particular, while Beijing was professing its innocence, Kyodo News in Taiwan revealed the views of a number of officers of the Chinese South Seas Fleet, as published in an internal PLA journal, who reportedly wrote that Beijing had secured the central leadership role in the South China Sea, and other players simply couldn’t match Chinese military supremacy in the region. The article argued as well, moreover, that the PLA should brace for “endurance warfare” to secure

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75 Babbage, “Countering Beijing’s Maneuvers in the South China Sea.”
76 “China’s Assertiveness in the South China Sea,” *IISS Strategic Comments*, 22, comment 34, November 2016.
78 Babbage, “Countering Beijing’s Maneuvers in the South China Sea.”
79 Ibid.
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strategic advantages with patience and long-term planning, as the balance of power had tilted towards China.\textsuperscript{80}

By all indications, Beijing’s expansive goals in the South China Sea remain unchanged but, as a tactical ploy, it has decided to avoid any immediate escalation of tensions.\textsuperscript{81} Most experts and officials therefore anticipate renewed Chinese action on Scarborough Shoal at some point in the not-too-distant future. In that event, the White House would have several options to respond to a potential confrontation over Scarborough. To begin with, Washington could adopt a minimalist approach by simply restating the longstanding U.S. diplomatic position that all regional disputes should be resolved peacefully and in accordance with international law, thereby refraining from any specific action to avert the Philippines’ plight.\textsuperscript{82} This option, however, seems unlikely, according to experts, even though many senior American officials are frustrated with the dysfunctionality and corruption in Manila. More specifically, walking away from the Philippines would do enormous damage to U.S. alliance credibility globally and would also run counter to the known strategic stances of key administration officials.\textsuperscript{83} Second, the Trump team could adopt a so-called “holding position,” while simultaneously seeking to protect Philippine sovereignty and alliance credibility. In that regard, the president could, for instance, convey his concern about Chinese plans to Xi Jinping, and U.S. aircraft and ships might also conduct patrols in the area in a manner similar to those ordered by Obama in early 2016.\textsuperscript{84} To add further weight to this option, Trump could state explicitly that Washington’s treaty with the Philippines indeed covers Scarborough Shoal and that U.S. forces will work with the Philippines Armed Forces to jointly protect and maintain the security for all Philippine sovereign territory.\textsuperscript{85} This second option may be ultimately more appealing as it would also be unlikely to threaten Chinese cooperation in other spheres where Washington might need Beijing’s support, such as in restraining North Korea’s nuclear missile programs.\textsuperscript{86} A possible third option would be for Washington to conclude that it has little choice but to respond to Beijing’s sustained expansionism and competitive behavior by developing a long-term competitive strategy of its own, to include a range of diplomatic, information, economic, geostrategic, immigration, legal, military, and other measures, all tailored over time to constrain Beijing’s assertiveness, encourage more responsible international behavior, and protect the core interests of the United States and its allies.\textsuperscript{87} What remains unclear at the moment, however, is whether the administration is really prepared to adopt such a more forward-leaning posture in an effort to deny China control over Scarborough Shoal.

Of course, even though China’s island bases are being built from scratch in the era of precision strike and already have appropriate countermeasures incorporated from the start, with enough U.S. and allied combat power brought to bear, they could be vulnerable to being overwhelmed. In fact, this sort of A2/AD problem set is currently being addressed through efforts such as the Joint Operational Access Concept (JOAC), Joint Concept for

\textsuperscript{80} Babbage, “Countering Beijing’s Maneuvers in the South China Sea.”
\textsuperscript{81} Ibid.
\textsuperscript{82} Ibid.
\textsuperscript{83} Ibid.
\textsuperscript{84} Ibid.
\textsuperscript{85} Ibid.
\textsuperscript{86} Ibid.
\textsuperscript{87} Ibid.
The question, undoubtedly, is how much more effort and risk will be required once the islands are fully armed, and how long it will take to neutralize them during the crucial first salvos of a high-intensity conflict. It seems unlikely that the effort would be as trivial as some may have thought. So far, the White House and the Pentagon have made clear that they do not want a war with China over a group of uninhabited rocks and islands, something the Chinese leadership had calculated and counted on, correctly, from the start. If China remains undeterred in its pursuit of maritime hegemony, however, many officials and top U.S. lawmakers from both parties warn that Washington could eventually be forced to cede the entire South China Sea to Beijing.

One of America’s great concerns about the South China Sea, in that regard, is whether the PRC will seek to cut off or control international navigation on water and in airspace. The United States has carried out several so-called freedom of navigation operations (FONOPs) in recent months, sending Navy destroyers near Chinese-claimed man-made islands and features as a way to demonstrate that free passage is still open to all nations. In the fall of 2015, for example, after months of verbal protestations without action, Washington finally sent the USS *Lassen* into the twelve-nm area claimed by China around the artificial landmass at Subi Reef, in the Spratly Islands group. In February 2016, the USS *Wilbur* conducted a FONOP within twelve nautical miles of Triton Island, a PRC-held feature in the Paracels also claimed by Vietnam and Taiwan, and a month later, the aircraft carrier *John C. Stennis* and four other American warships sailed into the South China Sea for routine exercises, designed to convey the message that the United States is still the dominant military power in the region. Unfortunately, Washington’s ambiguous description of the voyages, calling them innocent passages (or IPs), has raised new questions about U.S. seriousness and commitment. Significantly, the distinction is of great importance, since a FONOP is conducted in normal operating mode and concedes nothing on sovereignty to an unlawful claimant, while an IP, by contrast, acknowledges that a ship is passing through a claimant’s territorial waters and does so in a non-challenging manner, for example with weapons and radar systems deactivated. Critics have therefore charged that if the United States and China have secretly reached a modus vivendi, whereby both can claim to have achieved their essential goals, then Washington has conceded too much to Beijing, as such an arrangement would effectively legitimize China’s excessive claims and encourage more of the same, with potentially far-reaching consequences for other adversaries elsewhere in the world. Perhaps in part to refute such a charge, the Pentagon took pains to emphasize that the U.S. Navy’s fourth FONOP, conducted in October 2016 by the guided-missile destroyer USS *Decatur* in the vicinity of the Chinese-occupied Paracel Islands, was not an IP.

Complicating the situation, according to one prominent naval strategist, is the very real issue that it is no longer a foregone conclusion that the U.S. Pacific Fleet and its

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88 Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
89 Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
91 Ibid.
92 “China’s Assertiveness in the South China Sea,” *IISS Strategic Comments*. The *Decatur* did not sail within twelve nautical miles of the islands involved, but the operation was notable in that one of the islands, known as Woody Island, hosts a recently expanded PLA air base and HQ-9 air defense missile batteries. In this sense, the *Decatur* FONOP was likely meant to signal a toughening of the U.S. position on freedom of the seas in the wake of the UN tribunal’s July 2016 decision.
associated forces can actually get into the Asia-Pacific theater and concentrate superior manpower there at the decisive place and time. This is partly due to the fact that in 1992, the U.S. Navy issued its first post-Cold War strategy, called From the Sea, in which it essentially declared an “end to history,” given that no other nation at the time was even remotely capable of challenging America’s command of the sea. Today, the U.S. Navy is in essence gradually waking up from that bureaucratic lag in the system and is now confronting a paradigm shift and a change in the way it intends to manage the world. As Admiral Scott Swift, the senior officer for the Navy’s Pacific Fleet, commented recently, China’s current behavior and activity can be described as an arc, “but we’re not sure where that arc is going to terminate.”

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**Range of Chinese Fighter Aircraft in the SCS**

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To make matters worse, partly because the U.S. Navy proclaimed an end to history, it has fallen woefully behind within the tactical and hardware dimensions as well, and particularly in areas such as countering the sheer number and types of Chinese anti-ship cruise missiles. U.S. military forces, officials and experts agree, are desperately outranged by the Chinese navy’s missile-firing platforms. China already has the ability, for example, to launch anti-ship strikes with cruise and ballistic weapons from ranges as far as twenty-five hundred miles away, allowing Beijing to launch massive swarms of different types of A2/AD missile platforms at U.S. naval assets and thereby greatly complicating U.S. strategy. As one Naval War College expert explains, Chinese missiles “only need to reach the fleet’s defensive envelope for the Aegis [America’s naval-based missile defense system] to engage the incoming threats, thus forcing the defender to expend valuable ammunition that cannot be easily resupplied at sea under combat conditions,” and leaving the U.S. surface fleet defenseless against further PLA actions.94 Former Chief of Naval Operations, Admiral Jonathan Greenert, echoed this growing fear in the surface warfare community when he said recently that he recognized a long-term concern that the United States might be “outsticked” by the PLAN in the Asia-Pacific, adding that he was “impatient” to field systems in the near term with the range and survivability that can close the gap and bolster U.S. anti-ship capability.95

Yet another challenge that U.S. policy makers face in responding to the new normal that China is fervently constructing is the problem of alliance and coalition unity. Although there is general consensus that freedom of the sea is an underlying principle of the international system that ought to be protected and many countries in the region have begun strengthening their defense ties with the United States and with one another, Asia-Pacific nations have struggled so far to band together in response to China’s tough tactics. Beijing’s rival claimants in the SCS, in particular, have long hoped that their regional club – ASEAN – can mount a united front. Yet to date, the ten-member bloc has been unable to speak cohesively and to even show a common rhetorical stance on the issue both at its semiannual gatherings and at a series of recent summits, much less to organize any sort of mechanism for punishing the PRC’s provocations. China strongly prefers to negotiate with (and bully) ASEAN members individually, and it skillfully exploits the bloc’s internal differences.96 Even at an unprecedented summit in February 2016, hosted by President Obama in California, ASEAN nations “danced around” an explicit condemnation of China’s behavior, and the lack of specific mention of Beijing or even the South China Sea after the summit made clear the lingering divisions in the group.97

China has also prevented claimant and other states from embracing outside powers too heartily by employing a divide-and-conquer, or sometimes called “salami-slicing,” strategy to disrupt cohesion in the bloc, often leveraging its massive economic clout and much-needed infrastructure investment funds to coerce individual states. Beijing is therefore expertly mixing the carrots, or incentives, of trade and finance with the sticks of information warfare and mounting military deployments and operations in the South

97 Dan de Luce and Keith Johnson, “Crunch Time for Washington and Beijing in the South China Sea,” Foreign Policy, February 17, 2016.
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In that regard, Cambodia, Laos, and Thailand, according to analysts, have come under increasing pressure from China to water down any ASEAN position on the maritime disputes. At the same time, Vietnam and the Philippines, both of which have overlapping territorial claims with China, have felt highly constrained in their options to push back and have remained wary of taking more decisive action against Beijing, given their overwhelming economic dependence on Chinese investments and trade. No doubt, this particular consideration has influenced Philippine president Duterte’s inclination to adopt a more accommodating posture toward China on Scarborough Shoal and related matters, despite the ruling by the UN Arbitral Tribunal in favor of Manila’s position on the Scarborough Shoal question. To date as well, Southeast Asian governments and other allies have been hesitant to take part in any multinational FON exercises around disputed features in the South China Sea to check Beijing’s moves to carve out zones of exemption from the law of the sea in expanses that it deems important. What’s more, regional powers have shown little willingness to expend scarce resources in an open-ended endeavor to defend the principle of freedom of the seas from a powerful and aggressive challenger, an issue that in turn is threatening to reduce what should clearly be a much broader maritime dilemma for all seafaring nations to simply a narrow U.S.-China problem.

Beijing’s assertive and expansive policies are thus forcing the United States to decide whether to push back forcefully, even if that heightens the risk of military confrontation, or fall back and allow the PLA to gradually bend the diplomatic and strategic setting in its favor. Many officials and top U.S. lawmakers from both parties have urged both the Obama and Trump administrations to show more resolve with China. In late April 2016, senators even introduced a bill that called for Washington to move beyond “symbolic gestures” and a tread-softly approach and to launch instead a robust freedom of the seas campaign. As Senator Robert Menendez (D-N.J.) stated that same month, for too long “the United States has played the role of observer, or perhaps protestor, but not yet actor.”

Admiral Harris and other Pentagon officials have also been arguing for a more confrontational approach to counter China’s strategic gains in the South China Sea, appeals that were met with resistance from the Obama White House at nearly every turn. Some of the proposals include launching aircraft and conducting frequent close patrols and military operations within twelve nautical miles of China’s artificial islands, increasing the number of sailing days that U.S. warships spend in the SCS, expanding joint exercises, and continuing with ocean surveillance patrols to gather intelligence throughout the western Pacific. In other words, as Senate Armed Forces Chairman John McCain summarized in February 2016, “the United States should consider additional options to raise the costs on Beijing’s behavior,” adding that to really push back against China’s aggressive moves in the region, Washington must adopt fresh policies “with a level of risk that we have been unwilling to consider up to this point.”

What, then, should the new U.S. administration do to repair the damage done? Above all, top officials in Washington can and must begin to manipulate risk to convince China that future provocations in the South China Sea will elicit reactions and outcomes that set

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98 Cronin, “Maritime Asia: Responding to the China Challenge.”
99 Dan De Luce, “Lawmakers to White House: Get Tough with Beijing over South China Sea,” Foreign Policy, April 27, 2016.
100 McCain, “America Needs More Than Symbolic Gestures in the South China Sea.”
101 De Luce and Johnson, “Crunch Time for Washington and Beijing in the South China Sea.”
rather than advance Beijing’s political goals.\textsuperscript{102} The U.S. mindset, therefore, requires a fundamental shift to accept greater risk and the possibility of escalation in the Asia-Pacific without being reckless, if America’s response is to be successful.\textsuperscript{103} One such strategy during peacetime, as alluded to earlier, would involve U.S. Navy forces exercising freedom of the sea frequently and to the utmost limits allowed by international law to magnify the uncertainty in Chinese minds about how Washington might respond to future belligerence.\textsuperscript{104} The U.S. Navy’s “distributed lethality” initiative constitutes another way to impose unbearable risk on China. In essence, distributed lethality involves boosting the overall volume of munitions carried onboard ships, relying for the moment on a larger number of cheaper, rapid-fire weapons systems (rather than on a more limited number of expensive precision strike assets) to “get more metal in the air” at a reasonable price. The primary aim would be to leverage the full array of ordnance currently available to the U.S. Navy to bolster the firepower of that fraction of America’s naval forces likely to be deployed forward when a standoff or confrontation at sea might occur with the PLA. Over time, of course, it is hoped that the Pentagon’s development of a new anti-ship missile with long-range hitting power, perhaps in concert with more exotic systems such as electromagnetic railguns and shipboard lasers, will narrow (if not eliminate) any firepower advantage China may enjoy in the South China Sea and other regional waterways, but fielding such options is still years away. Meanwhile, dispersing firepower across the fleet could also help reshape China’s risk calculus, since Chinese naval commanders on the scene would have to assume that every American naval vessel packs a wallop.\textsuperscript{105} So, too, should deterrence fail and open conflict occur, distributed lethality would also impose other kinds of risk. It could, for example, sap China’s military resources, as PLA missile shooters would have more enemy units to fire at as well as more units to defend against.\textsuperscript{106}

At the same time, Pentagon planners have announced a plan to convert the Army Tactical Missile System (ATACMS) into a land-based guided ballistic missile capable of hitting moving warships out to a distance of about 186 miles. Positioned in theater on the territory of U.S. regional allies and partner countries, mobile anti-ship missiles along these lines would be hard for the Chinese to track and attack, and they would enjoy a significant inventory advantage over U.S. aircraft and naval vessels armed with anti-ship missiles, especially since land-based systems could have “deep magazines” with no major physical limitations on the number of missiles available.\textsuperscript{107} As a result, the very real threat that currently exists of U.S. forces being outgunned in a local dust-up by China’s ability to unleash an increasingly diverse range of land- and sea-based missile systems would be diminished. Moreover, apart from being less vulnerable to long-range missile strikes by the PLA than U.S. CSGs operating in China’s near seas and U.S aircraft concentrated on forward airbases, American land-based anti-ship missile systems could provide a welcome degree of additional reassurance to anxious allies and partners in the region. Hence, by drawing the U.S. Army more directly into the battlefield equation, it is hoped that the

\textsuperscript{103} Mastro, “Why Chinese Assertiveness Is Here to Stay.”
\textsuperscript{104} Yoshihara and Holmes, “Responding to China’s Rising Sea Power.”
\textsuperscript{105} Ibid.
\textsuperscript{106} Ibid.
United States can reduce the likelihood that China could achieve and sustain a dominant position in the South China Sea and in maritime Asia more generally.

It is also critical for Washington to continue developing new platforms and refining joint operational concepts designed to defeat China’s A2/AD policies, such as the Pentagon’s Joint Concept for Access and Maneuver on the Global Commons (JAM-GC) noted above, which relies on the innovative use of joint forces to gain and maintain freedom of access to the global commons, combined with the alternative concepts of offshore control, which would seal off the first island chain from the PLAN and impose a distant blockade on China’s seaborne imports of natural resources; archipelagic defense, which employs the imaginative use of islands and passages by U.S. and allied forces to counteract an opponent’s advantages in numbers of ships, aircraft, or manpower; and the Third Offset strategy, which is largely based on harnessing innovation, experimentation, and adopting new ways of operating to address the gap in technological superiority. Firming up the unity, power, and purpose of the U.S. alliances with Japan, South Korea, Australia, and other Asia-Pacific stakeholders, along with building up a regional system rooted in the shared interests of like-minded seafaring nations opposed to Chinese threats, is also an important element for maintaining an effective U.S. security posture and ensuring continued support in the region.

In sum, then, by diversifying the U.S. surface fleet’s armament and by deploying land-based anti-ship missiles on the territory of front line allies and security partners, Washington hopes to strain the PLA’s ability to monitor and adapt to its surroundings. At the same time, such adjustments to America’s forward defense posture should enhance in particular the U.S. Navy’s strategic and operational resiliency, and demonstrate as well that the U.S. fleet — with the assistance of a newly designed, forward-based U.S. Army anti-ship missile force — is prepared to and can absorb combat losses and fight on. This, in turn, might sow misgivings in the minds of Chinese planners, making them doubt that their own strategy will work at an acceptable cost, or perhaps at all. And those who doubt, it is suggested by advocates of these adjustments, seldom tend to chance the first move.\(^\text{108}\)

To ensure America’s continued ability to live up to its treaty commitments and uphold the maritime rule of law in the South China Sea with acceptable cost, however, action is imperative. As highlighted above, possible U.S. responses that show more resolve with China include conducting stepped-up Freedom of Navigation Operations within 12 nm of China’s artificial islands, increasing the number of sailing days that U.S. warships spend in the South China Sea, and continuing with ocean surveillance patrols to gather intelligence throughout the western Pacific, all aimed at reinforcing the real-world implications of the comprehensive Hague ruling against China. Perhaps some “bottom depth surveys” inside the lagoons at Subi and Mischief Reefs would be appropriate as well to determine their post-dredging depths, especially since, after all, they are considered international waters.\(^\text{109}\) U.S. Navy officials would also like to increase the number of amphibious ships in the Asia-Pacific by one or two, which would allow Marines and sailors to train and interact more with allied nations in the region. In addition, as construction of the “big three” islands approaches completion, it is critical for the United States to watch carefully for any indications that a significant A2/AD force deployment is about to take place, and if that should occur, the Pentagon, according to advocates, must have a “full

\(^{108}\) Yoshihara and Holmes, “Responding to China’s Rising Sea Power.”

\(^{109}\) Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
spectrum of whole-of-government preplanned responses ready to defeat those systems.”110 U.S. military and political leaders, in that regard, will also need to determine in the very near future exactly how far they are willing to push back to prevent further large-scale arming of the islands.111 In this context, as some have suggested, there are likely a number of options ranging from diplomatic protestations alone to conducting something resembling a Cuban Missile Crisis-style quarantine, together with a gamut of alternatives in between, that U.S. policymakers perhaps have not fully considered to date.

Nevertheless, even though America’s current efforts to boost its military capabilities and anchor its presence in Asia, as part of the Obama administration’s rebalance policy, will counter parts of China’s anti-access/area denial strategy, staying ahead in terms of weapons, tactics, and operational methods alone would not guarantee a credible deterrent. This is especially true since Chinese leaders are well aware which side has the strongest military, and hence what Beijing’s assertive strategy is aiming to test is not the balance of military forces, but rather the “balance of resolve” and U.S. willingness, not ability, to fight and use those military capabilities, a savvy tactic that U.S. responses to date have failed to account for.112 Deterrence, according to one influential naval strategist, can thus be represented as the product of capability times resolve, whereby maximizing each factor’s value in the equation would yield the highest end result and best fighting chance to deter an ambitious opponent.113 In that regard, Washington’s well-known aversion to confronting China and its persistent emphasis on de-escalation and crisis management in every incident with Beijing are gradually chipping away at U.S. credibility in the region (and perhaps beyond) while also acting as a self-imposed strategic impediment, which continues to delay decisive American countermeasures that might confound the PLA’s calculations. In essence, half-measures by the U.S. leadership, such as symbolic costs and confusing freedom of navigation patrols, have failed to stop the Chinese from building artificial islands and developing military capabilities in the SCS, and the longer America waits to challenge any new precedent, the more firmly it becomes precedent. To signal to China that it will not be able to use asymmetry of resolve to its advantage, therefore, Washington must show a willingness to escalate a situation to higher levels of conflict when Beijing is directly testing U.S. resolve, including reducing channels of communication during a contingency or involving other regional actors, among other measures.114

However unlikely it may seem in the near term given Duterte’s overtures to Beijing, a decision by China to begin large-scale island building and militarization activity at Scarborough Shoal could very well trigger a tougher response from Washington along these lines, and a more determined effort to deter Beijing’s behavior. It seems increasingly likely, according to Pentagon officials and experts, that China will seek to demonstrate in some way that it will not be constrained by the tribunal’s decision, and to make clear to Manila that despite pursuing a policy of diplomatic and economic engagement with the Philippines now that Duterte is in charge, Beijing still had no intention of relinquishing its claim to sovereignty over the shoal. Strategically, however, any Chinese efforts to

110 Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
111 Ibid.
112 Ibid.
113 James Holmes, remarks delivered at Institute for Foreign Policy Analysis workshop, Washington, D.C., June 17, 2016.
114 Oriana Skylar Mastro, “Why Chinese Assertiveness Is Here to Stay.”
establish a new military outpost on Scarborough Shoal would be a disastrous development and one that would allow the PLA to maintain a presence throughout the South China Sea, even extending its reach over parts of Manila’s home islands, with enormous strategic implications for both the Philippines and the United States, which just negotiated access for U.S. forces to five Philippine bases.\footnote{Gregory Poling and Zack Cooper, “Developing a Scarborough Contingency Plan,” Asia Maritime Transparency Initiative, Center for Strategic and International Studies, March 30, 2016.} In addition, new dredging work and deployment of military assets in the area would help establish a strategic triangle of Chinese-controlled islands, with the Paracels in the northwest, the Spratlys in the south, and Scarborough in the northeast, which Beijing could then use to project enormous power, monitor U.S. military activity in nearby waters, and declare an ADIZ over virtually the entire South China Sea. This, in turn, would put the burden of escalation on the United States and its Asian allies, complicating Washington’s task of determining a response, while strategically testing U.S. willingness to uphold the regional security order. A permanent Chinese occupation of Scarborough Shoal would also effectively detach part of the Philippine EEZ, as would China’s efforts to auction off sectors of the Vietnamese EEZ to foreign companies for oil and gas exploration.\footnote{Michele Flournoy and Ely Ratner, “China’s Territorial Advances Must Be Kept in Check by the United States,”\textit{Washington Post}, July 4, 2014.}

Of course, the prospects for cooperation and constructive engagement with China should not be discounted. As former Undersecretary of Defense for Policy Michele Flournoy noted in 2014, “abandoning efforts to engage with China” could very well accelerate Beijing’s assertiveness and “run counter to a wide range of U.S. economic and security interests.”\footnote{Holmes, “A Competitive Turn.”} Such efforts, for example, could include counter-piracy operations and other constabulary endeavors in the Gulf of Aden and elsewhere that could perhaps turn into an “outside-in strategy,” whereby allied powers can cooperate with Chinese forces outside Asia and hope to radiate these habits of cooperation into the waters of the East and South China Seas. Nevertheless, as experts point out, such collaborative arrangements, particularly within the first island chain, may be difficult to extend beyond purely straightforward humanitarian assistance and disaster response missions, given that any cooperative constabulary duty would be perceived in Beijing as ratifying U.S. maritime supremacy in Asia and sharing jurisdiction in seas and air space over which it insists vehemently that it holds indisputable sovereignty. Ultimately, however, the common purpose and priority of the United States and its regional allies should center on deterring China first, while also cooperating with Beijing when feasible, though yielding nothing on principle to the PRC for the sake of cooperation. This order of priority is significant, since China is unilaterally seeking to establish a precedent that it can amend or repeal parts of the law of the sea by fiat, which would be a very dangerous precedent for the U.S. alliance network in the region to accept.

To be sure, the Chinese may never formally relinquish such goals as Taiwan, the Senkaku Islands, or their excessive claims to sovereignty over sea and sky in the South China Sea, but by acting now, the United States may gain enough time to favorably influence the strategic competition and counteract China’s brinkmanship. As some military analysts have suggested, Chinese planners often appear to be playing Go (a strategic skill game of position and winning territory), while America tends to be “a poker
player,” preferring instead to dare its opponents to call its bets.\textsuperscript{118} By “staking out its bold new positions” in the South China Sea, China’s goal may well be to “up the ante” to a point where Washington is faced with a tough strategic choice: either “put a pile of chips on the table and risk huge losses or fold up its cards and go home.”\textsuperscript{119} The United States should act now and devise a range of appropriate policies to specifically ensure that the game doesn’t get to that point.

Policy makers in Washington must therefore orient their approach to Beijing’s assertive new strategy while simultaneously clarifying their own goals and deciding how much they value those goals and the magnitude of effort they are willing to expend to maintain the U.S. position as a leading Pacific power and deny China an easy victory. Accordingly, this would involve summoning up resolve, resources, and regional allies to jointly uphold and defend the maritime principles and order in the Asia-Pacific. U.S. leaders, according to one expert, must therefore calculate their strategic response and diplomacy with regional audiences in mind, including friends, allies, and third-party stakeholders able to influence the competition’s outcome. Otherwise, if Washington appears unable or unwilling to compete over the long term, China’s neighbors may feel they have no recourse but to start accommodating themselves to Beijing’s wishes in Southeast Asia.\textsuperscript{120} Indeed, as many would argue, perhaps the only way to reach some form of security equilibrium with China within the near-seas zone is to ensure more robust U.S. presence and alliance cooperation there, which inevitably raises the risk of deepening confrontation and future tension in the region. In the meantime, Washington’s rebalance policy and U.S. efforts to enhance the capacity of Southeast Asian states to police their own territory, sovereign seas, and EEZs are all eminently sound courses of action. In that regard, larger allies in the region such as Japan and South Korea can be particularly helpful by taking the initiative to manage events in Northeast Asia as much as possible and by helping the United States improve the self-defense capacity, maritime domain awareness, and naval and coast guard capabilities of smaller allies and stakeholders, including Vietnam, Malaysia, and the Philippines. A strong U.S. focus on collaborative steps and cost-imposing strategies can engender further region-wide maritime cooperation, strengthen information- and intelligence-sharing on potential Chinese actions, and improve the shared maritime domain awareness architecture in the region, all of which would be critical to addressing and deterring future Chinese coercion and adventurism in the South China Sea and beyond.

\textsuperscript{118} Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
\textsuperscript{119} Shugart, “China’s Artificial Islands are Bigger (and a Bigger Deal) Than You Think.”
Chapter 3
Operational Consequences of China’s Rising Maritime Power

As highlighted in chapter 2, China’s maritime growth since 2000 is nothing short of remarkable and foreshadows a change in the regional maritime balance of power—one in which the United States has moved from being the preeminent naval power in the region to one in which China challenges, if not overtakes, that position over time. Chinese control over the South China Sea, in particular, is expected to further increase in the period between 2020 and 2030, especially in view of the ever-expanding capabilities and defense-related networks on the artificial islands that China has built (and may build in coming years) along the disputed Spratlys archipelago and elsewhere in the first island chain. Precisely how all this will impact future day-to-day maritime operations in this critical region—be they tied to seaborne commerce or military deployments—remains to be seen. What is clear, however, is that a serious and protracted Sino-American armed conflict or perhaps even an all-out war between the two powers could be devastating and extremely costly in terms of the range of potential military, political and economic losses, even for the nation that prevails, and would thus be unlikely to result from premeditated attack by either side. That said, there is still much that can happen along the continuum of events between peacetime and open conflict (or the imminent threat of it). Moreover, transitions along this continuum could be quite ambiguous and indeterminate, as discussed earlier, and China’s main leverage in that regard lies in its expert ability to create and exploit such gray-zone scenarios and contingencies. Hence, smaller crises in the South China Sea could potentially escalate into Sino-American hostilities as a result of incidents or miscalculations, including cases, for example, where the Chinese might misjudge the U.S. threshold of intervention and willingness to back militarily a friend or ally and help it defend itself against Beijing’s coercion, or in instances that could bring U.S. and PLA forces into close and dangerous proximity over China’s provocative claims to sovereignty in airspace and waters surrounding its newly created artificial structures in the SCS.¹

Beijing, nevertheless, is unlikely to cut or seriously disrupt trade flows along the region’s vital sea lanes in future years, given that China’s economy is overwhelmingly a trade-based economy which remains heavily dependent on seaborne commerce to fulfill Chinese demand for energy and basic industrial supplies, and given also that some 82 percent of China’s oil imports alone pass through the South China Sea via the Malacca Strait. Even if China were able to block access to the South China Sea, moreover, recent evidence suggests that the alternative shipping routes the West and some Northeast Asian countries could use instead to divert their flows of oil and other raw materials might not

¹ David Gompert et al., War with China: Thinking Through the Unthinkable, RAND Corporation, 2016.
result in the prohibitively high costs that China itself would suffer in such a scenario. Studies have shown, for example, how Japan’s oil supplies could be rerouted away from the Strait of Malacca to the Sunda, Lombok, or other passages in the region, with one Japanese report from 2013 estimating that the oil import costs associated with such a move would have risen by $300 million annually, equivalent to about 0.2 percent of Japan’s oil import bill that year.²

It is not surprising, therefore, that Chinese leaders worry about the security of the country’s seaborne trade and, as the 2015 defense white paper makes clear, sea-lane protection has become a major preoccupation for the PLA. Looking ahead, then, rather than seek to somehow close or otherwise disrupt and jeopardize the flow of maritime commerce through the South China Sea, China will likely look to acquire instead the capability to single-handedly manage, monitor, and patrol the shipping traffic, as well as manipulate the degree of open access vessels have, through these important maritime passages and distant chokepoints, all aimed at gradually fostering a new, China-led security order in the region that is favorable to it, and one in which the PRC holds a key position as an arbiter, or referee. In essence, Chinese leaders have concluded that controlling the major SCS trade routes that pass to the west of the Spratly Islands is the best way for China to ensure that no one else does. Beijing’s broad strategic objective, however, to move from denial to effective control over first and possibly second island chain seas in coming decades would pose some serious and very real complications to U.S. operations even in wartime, perhaps ultimately causing the credibility of America’s forward presence and security guarantees to regional allies and partner states to be drawn sharply into question. This, in turn, China hopes, could potentially lead other major powers in the Asia-Pacific, such as Japan, South Korea, and even Australia, not to mention Taiwan, to be more inclined to accommodate the PRC on matters of regional security, thereby giving Beijing significant geopolitical leverage over a host of regional and perhaps extra-regional issues that are not necessarily maritime in nature, including Taiwan’s future status, developments on the Korean Peninsula, and policy initiatives pursued towards the Middle East.

Operational Implications of China’s New Naval Capabilities

The implications of these evolving dynamics for U.S. strategic interests in the Asia-Pacific and beyond are enormous, all the more so if there is a future scenario in which China and the United States come into direct conflict. In fact, a veritable cottage industry of analysis has grappled with the question of whether such a conflict between the two countries is likely or even inevitable, and avoiding the so-called “Thucydides trap” has become a near-obsession of American analysts and scholars of late. Although a premeditated Sino-U.S. war appears unlikely for the time being, both countries are and will likely remain at odds over a host of contentious regional issues and disputes in the decades ahead. As a result, the potential for a major armed conflict between the two sides will continue to color their respective threat perceptions which, in turn, will shape the current and future formulation of their deterrence strategies.

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In this respect, it is beyond a doubt that China now represents a far more threatening, and in some respects intimidating, naval power in the Indo-Pacific than the United States has had to face since the collapse of the Soviet Union. As many observers of Chinese and U.S. military forces have recently commented, China’s improving naval capabilities pose a serious challenge in the Western Pacific to the U.S. Navy’s “ability to achieve and maintain control of blue-water ocean areas in wartime—the first such challenge the U.S. Navy has faced since the end of the Cold War.” While U.S. naval forces maintain several advantages over those of the PLAN, including a much larger and more lethal carrier fleet, it is no longer a foregone conclusion that America has the superior force across the board of maritime engagements in the Asia-Pacific. As illustrated in chapter 2, PLAN warships are already being armed with YJ-18 supersonic anti-ship cruise missiles (ASCMs) with ranges of up to 290 nautical miles, far out-distancing U.S. Harpoon anti-ship missiles which have a range of some 70 nautical miles. As many naval analysts have pointed out as well, “even if PLAN vessels remain inferior to their U.S. Navy counterparts on a ship-for-ship basis, getting in several missile engagements before a U.S. fleet can return fire could furnish the PLAN with its great equalizer against a stronger foe.”

Any existing capability gaps between the PLAN and the U.S. Navy, moreover, are only likely to narrow over time. As discussed previously in chapter 2, with the commissioning of up to 12 Type 052D Luyang III-class guided-missile destroyers, each one equipped with the YJ-18 ASCMs, the PLAN will boast a new surface fleet with roughly comparable technological sophistication as the U.S. Navy’s current generation of Aegis guided-missile cruisers. This surface fleet, in turn, is sure to make China the most powerful maritime power in the Asia-Pacific after the United States. On a quantitative basis, some analysts estimate the PLAN’s total number of naval vessels will reach 500 by 2030, compared to the U.S. Navy’s projected 300 vessels by the same time period. With these qualitative and quantitative advancements in naval power, the PLAN will have a significant ability to engage the U.S. Navy with some degree of success in the event of a head-to-head conflict between the two nations.

What all this means at a fundamental level is that China is now a force to be reckoned with in the maritime domain and one that no longer necessarily pays heed to America’s once dominant naval position in the region. This power shift, of course, has implications for how China conducts itself on the world stage. Whereas Beijing may once have taken a more deferential approach to Washington on maritime issues due to its reliance on U.S. protection of sea lines of communication (SLOCs) through places like the Malacca Strait, it may no longer feel the need to propitiate the United States out of concerns for protecting its own maritime interests on the high seas. Certainly, China’s increasingly assertive behavior in the South and East China Seas suggests a degree of defiance toward U.S.-led maritime norms that it may have more fully respected when it relied solely on U.S. naval power to maintain peace and stability along vital maritime trade routes. Furthermore, as

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5 Holmes and Yoshihara, “Taking Stock of China’s Growing Navy.”
noted in the previous chapters, China’s ambitious new emphasis on “open seas protection” of more distant waters reflects not only Beijing’s capacity to invest in a costly blue-water navy but also the fact that the PRC’s interests are increasingly global in nature and no longer end at its shoreline—one of the telltale signs that China is becoming a leading maritime power and perhaps a full-fledged superpower.

One important implication for the United States of China’s growing number of “open seas protection” capable ships and missions is that U.S. officials can no longer assume that they would have the unencumbered freedom to position, when necessary, U.S. naval vessels off the coasts of hotspots in the Middle East or East Africa, particularly if Chinese interests are at stake and differ from Washington’s.\(^8\) Once the reality of a large Chinese navy that routinely operates worldwide becomes a common occurrence, as senior naval experts warn, the image of a PLAN navy that is modern and global “will over time attenuate perceptions of American power, especially in maritime regions where only the USN or its friends have operated freely since the end of the Cold War.”\(^9\) Even more significantly, the combined effect of a modern global navy and a prominent position in all other aspects of maritime power, two central objectives for Chinese leaders, will “make it easy for Beijing to eventually claim it has become ‘the world’s leading maritime power,’” allowing it, in turn, to make the argument that “its views regarding the rules, regulations, and laws that govern the maritime domain must be accommodated.”\(^10\)

That is not to say, however, that China no longer prioritizes protection of its peripheral waters, including those surrounding Taiwan. These remain of paramount importance to Beijing, especially since “far-seas operations surely will take a back seat in a Taiwan contingency, and far-seas assets undoubtedly will be directed toward the Taiwan Strait.”\(^11\) Indeed, one of the ancillary benefits of developing more sophisticated far-seas naval capabilities is that they can be redirected for near-seas operations when necessary, including to reinforce or establish control of strategic positions along the second island chain. Nevertheless, as illustrated in chapter 1 as well, China’s evolving blue-water navy will give it, for the first time, much greater operational scope to flex its muscles and exert its geopolitical leverage well beyond its shores and even into the second island chain. This has come at the expense, in some cases, of U.S. and allied strategic interests both within and beyond the region. Thus, even if China and the United States do not engage in direct conflict in the future, China’s expanding maritime prowess introduces an entirely new variable into a broad range of U.S. strategic calculations, including such determinations as force levels, acquisitions, deterrence, freedom of navigation, and planning for potential contingencies.

Not only does China’s growing maritime power pose new challenges for U.S. defense planners but it also highlights weaknesses and deficiencies in some of the U.S. Navy’s current wartime capabilities. In many respects, as some experts warn, the roles and missions of U.S. Navy forces have drifted away from traditional ship-to-ship combat since the end of the Cold War. For instance, U.S. Navy aviators have been engaged in ground support missions for operations against terrorist and insurgent groups in places like Afghanistan and Iraq, and guided-missile destroyers now serve as platforms for ballistic missile defense (BMD) systems, diverting them away from traditional surface warfare

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9 Ibid.
10 Ibid.
roles. In effect, then, as naval analysts point out, “the service has demoted war at sea, the raison d’être for any navy, almost to afterthought status,” and “both the hardware (weaponry, sensors, and hulls) and the software (training and exercises) for sea control have doubtless suffered as a result.” Exploiting such deficiencies may be one reason why China seeks to build more Type 052D guided-missile destroyers as the cornerstone of its surface warfare fleet. The U.S. Navy must now not only calibrate its surface ship acquisitions to meet this challenge but also make sure that it has the “hardware” and “software” to win ship-to-ship battles with a new potential adversary. Recent steps in this direction include a “crash program,” initiated by U.S. naval officials, to develop and field new long-range shipboard ASCMs, followed by a new U.S. sea force strategy document, released in January 2017, which affirmed at last that fighting for sea control is once again “the surface navy’s central purpose.”

Of course, China’s expanding naval reach also has direct implications for the range of nations along the Indo-Pacific maritime corridor—from India, across Southeast Asia, and north to the Japanese archipelago. Indeed, China’s muscle-flexing in the South China Sea has grown commensurate with its developing naval power, and the PLAN’s amphibious and force projection capabilities now give it the potential to enforce Beijing’s maritime sovereignty claims and its own version of FON rules well within the exclusive economic zones of several Southeast Asian nations, most of which do not possess the military capabilities to dissuade or deter Chinese coercion and acts of aggression. This intimidation factor has clearly worked so far for China in its island reclamation activities vis-à-vis the Philippines, but similar shows of force could be used to dominate other maritime nations, such as Malaysia, Indonesia, and Vietnam. As one prominent expert recently warned, “given the PLAN’s increasing capabilities for power projections using precision-guided weapons, amphibious capabilities, and naval airpower, a PLAN task force that appeared off the coast of a country engaged in a dispute with China would have a powerful coercive effect.” Furthermore, Beijing could use such a demonstration of force not only for maritime sovereignty disputes but in a wide range of other situations as well, such as resource competition, fishing rights, and other contentious commercial or political issues. Indeed, following a standoff over a Chinese-owned oil rig in contested waters off the coast of Vietnam in 1994, Hanoi reportedly backed away for many years from subsequent drilling operations in the South China Sea in deference to China’s overwhelming naval strength.

The bottom line, therefore, is that more—and more capable—large-displacement destroyers and other vessels “will allow China to combine different elements of its naval power imaginatively for a multitude of missions.” Still, the PLA’s control over the South China Sea should not be viewed as a unilateral or even two-player game, in part because

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13 Holmes and Yoshihara, “Taking Stock of China’s Growing Navy.”
14 Ibid.
15 Cronin et al., Beyond the San Hai: The Challenge of China’s Blue-Water Navy, 12.
it will depend to a significant extent on how Japan, Australia, India, and other countries in the region might enhance and integrate their collective military capabilities and eventually coordinate their support for frontline states like the Philippines and Vietnam. At the same time, given their abiding wish to avoid confrontations with China, the nations of Southeast Asia are closely watching U.S. responses (or lack thereof) to Chinese assertiveness in the South China Sea for indications that Washington is paying attention to developments in the region and will act to protect its interests, taking steps when necessary that go beyond mere diplomatic demarches.

China, however, has learned that it need not deploy overtly military assets to establish its dominance over other countries in the South China Sea, and to date, Beijing’s frequent use of paramilitary vessels and civilian maritime assets that are really more military than civilian in all but name has been an effective means of expanding its maritime claims without presenting a *casus belli* that could lead to an armed retaliation and all-out conflict. This so-called cabbage strategy, discussed in greater detail in chapter 2, presents a particularly complex dilemma for potential adversaries, including American military forces, over whether to act or not when faced with Chinese provocations in the region. Indeed, as highlighted before, Chinese coercion and acts of assertiveness are likely to unfold, more often than not, in a “gray zone” manner, and under the right circumstances, this mode of operation could effectively deter timely U.S. action or even cause the United States to self-deter. One could argue that that was actually what was happening for quite some time as China pursued its reclamation projects and declared sovereignty over the results until Washington finally sent (after much handwringing) the USS *Lassen* on a FONOP in October 2015 inside 12 nautical miles of Subi reef (which China turned into an artificial island) in the Spratlys.

Based on the *Lassen* example and the debate leading up to it, moreover, it appears that China may very well be able to delay and raise the political costs of any decision by Washington to conduct such operations, all of which could cast in doubt U.S. reliability and capacity to act in the eyes of regional allies and partner states. What’s more, it remains unclear how much more complicated and costly things could get should China expand and militarize more islets and reefs in the South China Sea, perhaps even Scarborough Shoal, while refining as well its ability to leverage civilian and military assets in a coordinated fashion together with bringing on line extended-range power projection capabilities and deploying them in ways that would allow them to reach out beyond the first island chain and possibly out to the second. It is not inconceivable, therefore, that China could exploit all of the above in a way that could force the U.S. Navy, for example, to operate in a less effective manner or to forego certain operations altogether, and that this could all unfold under conditions that are (and remain) well short of war. Moreover, in the context of the peacetime to conflict continuum discussed above, there are likely to be many points along that sequence of events where the threat or even the use of force could be initiated by China against U.S. assets without necessarily triggering an open and wider Sino-U.S. conflict, so long as it was held below a certain threshold, perhaps relying in the first instance on paramilitary forces backed if needed by Chinese military units.

In this way, the combination of a more robust blue-water navy as well as the PLA’s expanded maritime foothold in the South China Sea through strategic island-building enterprises and the types of gray-zone activities and cabbage tactics discussed earlier all offer China numerous options today that it did not enjoy when it was a lesser power preoccupied with coastal defense. Above all, any kind of contingency involving Taiwan
would evoke a much more sophisticated and robust response from the PLAN than ever before. As mentioned earlier, vessels engaged in far-seas operations could be redirected to deal with such a contingency—and these vessels and their crews would now have considerable training and experience in complex overseas maritime operations that could be brought to bear in a potential Taiwan conflict. Furthermore, as highlighted in chapter 1, the PLAN’s new surface and subsurface vessels, along with China’s broader military modernization efforts, give China a greater range of military hardware to throw at a possible Taiwan contingency.

**China’s Missile Coverage of the Taiwan Strait**

![Map of China's missile coverage of the Taiwan Strait]


Of particular note in that regard is the PLAN’s recently acquired expeditionary and amphibious capabilities, such as its new 20,000-ton landing platform docks, that could be used to deploy 800 troops at a time.\(^{19}\) Even China’s submarine fleet could develop dual-use capabilities, including clandestine amphibious assault operations. In addition, according to the Pentagon, the new Type 095 nuclear-powered, guided-missile attack submarine (SSGN) would not only “improve the PLAN’s anti-surface warfare capability

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\(^{19}\) Cronin et al., *Beyond the San Hai: The Challenge of China’s Blue-Water Navy*, 10.
but might also provide it with a more clandestine land-attack option.”

So, too, China’s growing arsenal of medium-range anti-ship ballistic missiles and sea-launched cruise missiles could also ensure that PLA forces have extended coverage of the waters surrounding Taiwan, creating a formidable deterrent against U.S. or allied operations.

Thus, unlike during the 1996 Taiwan Strait crisis, when the United States could easily deploy overwhelming firepower in the form of two carrier battle groups, China now has the surface, sub-surface and missile capabilities to deter or at least seriously complicate U.S. operations in a potential Taiwan contingency. Certainly, the cost-ratio for U.S. forces would increase significantly in the event of such a confrontation. Even if tensions did not rise to an all-out conflict, China’s increased firepower, including its ability to essentially choke off Taiwan with a robust naval and aerial blockade, could give Beijing considerable new leverage to shape political outcomes on the island, as it attempted to do two decades ago. It should be noted, nonetheless, that despite China’s advancements in amphibious capabilities, Beijing is unlikely to be able to launch a successful full-scale amphibious assault on the main island of Taiwan in the near future. According to current Pentagon assessments, for example, a “large-scale amphibious invasion is one of the most complicated and difficult military operations,” the success of which depends largely upon the combined effect of air and sea superiority, the ability to rapidly amass and sustain supplies onshore, as well as the presence of uninterrupted support.

An attempt to invade Taiwan, therefore, would not only strain China’s armed forces but is also likely to invite international intervention. These stresses, “coupled with China’s combat force attrition and the complexity of urban warfare and counterinsurgency (assuming a successful landing and breakout), make an amphibious invasion of Taiwan a significant political and military risk.”

Alternatively, according to the Pentagon’s 2016 report to Congress, China could focus on an amphibious takeover of Taiwan-held islands near the mainland as a show of force, especially since “the PLA is capable of accomplishing various amphibious operations short of a full-scale invasion of Taiwan.” Following that formula, with only “few overt military preparations beyond routine training,” China could potentially launch an easy invasion of small Taiwan-held islands such as Pratas and Itu Aba in the South China Sea as well. Furthermore, according to Pentagon assessments, given China’s current capabilities, a “PLA invasion of a medium-sized, better-defended island such as Matsu or Jinmen” also falls within Beijing’s reach. Thus, even if China may not currently have all the capabilities to engage in a full-scale amphibious invasion of Taiwan, it could still launch a successful takeover of nearby islands to establish strategic bases of operation and chokepoints along first island chain waters.

The expanded geographic scope of China’s maritime operations also gives it unprecedented opportunities to conduct surveillance and reconnaissance of U.S. and allied vessels throughout the Asia-Pacific area, and the PLA already is “developing and deploying maritime surveillance and targeting systems that can detect U.S. ships and submarines and provide targeting information for Chinese ASBMs, ASCMs, and other Chinese military units. These systems reportedly include land-based over-the-horizon backscatter (OTH-B) radars, land-based over-the-horizon surface wave (OTH-SW)
radars, electro-optical satellites, radar satellites, and seabed sonar networks.” Whereas U.S. and allied naval units could operate relatively undetected by Chinese surveillance systems in the past, such an array of sophisticated surveillance and targeting networks gives China the ability to track, monitor, and respond to U.S. naval deployments unlike ever before. These types of capabilities, as noted earlier, have obvious benefits in times of war, but they provide invaluable information on U.S. and allied naval movements during peacetime as well.

In principle, the United States has been relatively supportive of China’s out-of-region maritime operations to protect SLOCs, engage in anti-piracy operations in the Gulf of Aden, participate in humanitarian assistance/disaster relief (HA/DR) missions, and otherwise contribute to the global common good. Symbolizing these efforts, in August 2017, China dispatched the hospital ship Peace Ark to its new base in Djibouti to provide medical services for citizens in developing countries—a move intended as a sign of Beijing’s commitment to humanitarian operations away from home. In theory, all of these activities align with Washington’s long-held strategy of encouraging China’s development as a “responsible stakeholder” in the international community. And, for the most part, China has engaged in these activities in ways that are consistent with existing maritime rules and norms—particularly when it comes to out-of-region activities that are well beyond the disputed waters of the South and East China Seas. So far, Beijing has pledged that its new base in Djibouti is meant “to help the navy and army participate in UN peacekeeping operations (PKO), carry out escort missions in the waters near Somalia and the Gulf of Aden, and provide humanitarian assistance.” Most of these activities are welcomed by the United States and are not viewed as overt threats to U.S. or allied interests for the time being.

Nevertheless, as was the case for its artificial islands which Chinese President Xi initially pledged would not be militarized, it remains to be seen whether China’s out-of-region naval footprint will be used for the greater good in the decades ahead. Should tensions rise in the future, moreover, China could quickly convert facilities like the one in Djibouti into logistical and supply hubs for military operations to protect its SLOCs and energy supply lines in times of conflict. Some analysts wonder whether the base in Djibouti could also be used in the future for overseas counterterrorism operations or to support PLAN submarines operating along shipping lanes in the Gulf of Aden and along major maritime arteries. With Djibouti serving as a base of operations, vessels like the Type 052D Luyang III guided-missile destroyer could conceivably establish some degree of sea control that could hinder, if not eliminate, allied operations. The PLAN’s likely priority in wartime, therefore, would be not to destroy the U.S. fleet, but to “use its waxing anti-surface capability for counter-interdiction, especially around key choke points.” Indeed, these counter-interdiction operations, launched either from the base in Djibouti (and potentially other outposts like it) or by the construction of floating sea bases, known

27 Cronin et al., Beyond the San Hai: The Challenge of China’s Blue-Water Navy.
as very large floating structures (VLFS), could certainly help China mitigate against its so-called Malacca Dilemma, which assumes that key shipping lanes would be cut off by allied blockades.

While this does not appear to be Beijing’s intention for now, U.S. strategists must nonetheless factor such scenarios into their planning for potential global maritime contingencies in the future. Indeed, as illustrated above, China’s ever-increasing blue-water capabilities pose a range of new challenges for U.S. maritime security interests in the South China Sea and beyond. What seems almost certain at this stage is that the longevity of U.S. maritime primacy and the U.S.-managed order in the region are no longer unquestionable, and that China’s enhanced naval capabilities, combined with its growing strategic footprint in waters both close to and far away from its coastline, now give it greater capacity to exert leverage and control over the region and to shape the maritime environment to suit Beijing’s goals and objectives as a major global power.

Potential Scenarios of Chinese Maritime Assertiveness (and Their Consequences)

To gain a better understanding of the potential military, political-diplomatic, and economic consequences associated with varying degrees of Chinese control over the South China Sea and adjacent waters, it is useful to examine these issues in terms of three stages of Chinese assertiveness that Beijing might credibly pursue as it seeks to establish and then exploit a dominant position throughout this key maritime zone. Structured around the near-sea/far-sea and island-chain concepts of maritime geography and strategy currently embraced by Chinese authorities and broadly outlined above, these stages and their wider implications for the United States (and its regional allies and partners) can be summarized as follows:

Stage 1: China militarizes the South China Sea islands and reefs it has built up and achieves local air and maritime dominance. In this stage, China completes and expands the reclamation projects currently underway and makes plans for more, creating an offshore infrastructure that could support a network of ports, runways, missile sites, radars, and communications/surveillance assets that could give China, in the words of U.S. Pacific Command (USPACOM) commander ADM Harry Harris, “de facto control over the South China Sea in any scenario short of war.” At some point during this stage, moreover, Beijing would decide to create just such a network, militarizing the South China Sea despite President Xi’s recent (though admittedly ambiguous) statement that it would not do so. Toward that end, it might at first seek to maximize its ability to confront regional competitors and rivals with “gray zone” scenarios, against which the proper response remains unclear and the risks of unintended escalation high, by initially

30 Testimony by Admiral Harry B. Harris, Jr., USN, commander, U.S. Pacific Command, U.S. Senate Armed Services Committee, September 17, 2015.
deploying mostly (or solely) coast guard and paramilitary maritime militia units on the islands, with PLAN units looming just over the horizon. Operating from the islands, coast guard and militia units – most of which have substantial military training and capability\(^{31}\) – could act as permanently based local enforcers of maritime rules of the road as written by Beijing, protecting Chinese interests in contested waters, conducting ship inspections, harassing those who come too close to the islands, and calling on support from PLAN forces sailing nearby when additional firepower might be necessary.

On the other hand, forward deploying military units directly on the islands would give China the biggest bang for its buck, extending the reach of its aircraft, ships, submarines, and missiles so deployed – and enhancing their availability to respond promptly – throughout the South China Sea and well beyond. In essence, these units would be deployed in a manner and location that would make their use (or, again, the threat of their use) considerably more effective than if they were deployed solely on or close to the mainland (e.g., on Hainan Island). Ships and aircraft deployed on the Spratly Islands, for example, could monitor and patrol the sea lanes exiting the Malacca Strait and passing into the South China Sea far more consistently and comprehensively than if they were otherwise deployed. More importantly, they could provide a more certain defense against any potential disruption or blockade of that traffic (which carries some 80 percent of China's oil imports), scenarios that are commonly referred to as China’s “Malacca Dilemma” and pointed to by a number of American strategists as the easiest way to impose pain on Beijing and to deter it from provocative behavior.\(^{32}\)

In addition, PLA ships and aircraft based on the Paracel Islands off the coast of Vietnam – especially those operating from Woody Island – could also provide vital reinforcement to these Spratly-based efforts, rendering them even more effective. As they did in response to the recent freedom of navigation (FON) patrol by the USS Lassen within twelve nautical miles of Subi Reef in the Spratly, Chinese jets armed with standoff missiles operating from Woody Island (and perhaps even a Spratly Island airstrip) could signal as well Beijing’s opposition to such patrols and its determination to discourage, with military force if necessary, what it perceives to be provocative encroachments on its territorial sovereignty.\(^{33}\) Similar flights, billed as legitimate training missions, together with dangerous aerial intercepts or shadowing of non-Chinese aircraft over the South China Sea, could also be used to help impose a Chinese Air Defense Identification Zone (ADIZ) over much of this region, should Beijing decide to declare one. A recent exercise of PLA Air Force (PLAAF) H-6 bomber, surveillance, and electronic intelligence (ELINT) aircraft over the East China Sea that was designed to affirm the ADIZ that China declared over those waters suggests a readiness and potential willingness to do the same at some point over the South China Sea if an ADIZ was also declared for that area.\(^{34}\)

There are those, of course, who argue that U.S. missile-firing surface ships and submarines, together with carrier-based air, could make quick work of Chinese military

\(^{31}\) Andrew S. Erickson and Conor M. Kennedy, “Meet the Chinese Maritime Militia Waging a “People’s War at Sea,”” China Real Time, March 31, 2015.

\(^{32}\) Yoshihara and Holmes, 88.


units deployed on South China Sea islands. More specifically, the small number and tight grouping of PLA forces based on such islands, and their limited air defense, would make them, it is suggested, vulnerable and compact targets. On the other hand, within the timeframe of this stage, China, others argue, is likely to integrate these islands into a multilayered network of interlocking fields of fire from nearby islands, ships and aircraft operating within the South China Sea theater, and mainland-based aircraft and long-range anti-ship missiles (ASMs). Against this backdrop, any U.S. forces arrayed against the islands would be forced to operate in a very dangerous combat environment. In particular, fire support provided by China’s DF-21 and DF-26 anti-ship ballistic missiles (ASBMs) based on Hainan Island could easily target U.S. units operating anywhere near the South China Sea, forcing them to operate in harm’s way and exposing them to additional attacks as they exit the battle zone to reload exhausted missile magazines and then return to the fray.

Needless to say, should China achieve air and maritime dominance in the South China Sea along these lines (which it is already on its way to doing), the political and economic consequences could be both negative and quite diverse. By means of various shows of force in the air and at sea, the PLA, for example, could more easily deter local rivals – such as Vietnam and the Philippines – from joining FON operations with the U.S. Navy, and, depending on the state of U.S.-Chinese relations, it might even be able to create an environment in which FON operations by the USN alone would be curtailed if not stopped altogether. What might be called benign or friendly shows of force via PLAN port visits to South China Sea countries – again, Vietnam being a likely candidate, as well as Malaysia, Indonesia, and even Singapore – could also reinforce the message that China was becoming the dominant player in the South China Sea. As appears to have been the case in the most recent ASEAN Defense Ministers Meeting Plus (ADMM+) gathering in Malaysia, the political shadow of Chinese military power could prove sufficient to prevent any joint statements – not to mention collective action – by others in the region that might be construed as inimical to China’s interests.

On the economic front, while China’s own dependence on imported oil and gas may work against such scenarios, intrusive naval exercises by Chinese forces near key sea lanes, perhaps together with the harassment of fishing fleets and other commercial shipping, could at the very least increase insurance rates for maritime trade in the South China Sea, and, by extension, oil and gas prices. PLAN units, again supported by land- or island-based firepower, might also be able to impose time-limited, targeted, mini-blockades or disruptions of shipborne trade headed to smaller countries in the area over which China seeks to gain or exercise leverage. Theoretically, if China were ever able to tap the oil and gas deposits located in sectors of the South China Sea over which it claims sovereignty, it might be able to weather more easily – or believe that it could – any unintended disruptions in its own energy supply lines or potential hikes in prices that

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36 Ibid.
could occur as a result of PLA efforts to control tanker traffic headed to other countries in the region.

**Stage 2: Leveraging and building on its gains in the South China Sea**, China takes steps to extend and refine its sea-denial posture northward to its near-sea/first-island-chain waters above Taiwan, and to expand its strategic reach within the maritime zone of the second island chain. Given that the South China Sea is the southern gateway to Taiwan and the waters surrounding it, Chinese predominance within – if not outright control of – the South China Sea maritime theater would clearly open up new opportunities for Beijing to bring pressure on Taiwan and to shape the views of its leadership and its general public. At the very least, China’s military buildup – especially its deployment of long-range anti-ship cruise missiles (ASCMs) and the so-called “carrier killer” ASBMs – has made it very unlikely that Beijing would face the same humiliation it seems to have experienced during the 1995–96 cross-strait crisis when the USN sent a carrier right through the Taiwan Strait. In future years, much of the credit for rendering a replay of 1995–96 unlikely could justifiably be traced to China’s sea-denial activities in the South China Sea, especially those based on (and emanating from) Hainan Island, close to the mainland in the northern portion of the South China Sea. Operating from the Sanya air and naval base on Hainan, Chinese SSBNs, attack submarines, and guided-missile destroyers, many of which will be armed with the new YJ-18 long-range, sea-skimming ASCM by 2020, could establish, in coordination with the land-based firepower referenced earlier, an extremely lethal environment for an advancing carrier strike group (CSG), one that would likely encourage U.S. warships (and those of any supporting allies, such as Japan) to remain in second-chain waters as distant as possible from the mainland, but hopefully not so far out as to negate their own strike capabilities. The possibility that an ASBM tipped with anti-radiation and/or electro-magnetic munitions could cripple a CSG’s command and control network would be especially troubling.

Obviously, should China regain control of Taiwan, its sea-denial capabilities across its first-chain near seas that lie north and south of Taiwan and its capacity to achieve strategic results well into the second-chain zone would be significantly strengthened. There are a number of plausible Taiwan futures within this second stage of Chinese assertiveness, depending on the degree to which China’s control of the South China Sea could facilitate these futures, and, in turn, the manner in which they would affect developments in the South China Sea itself. The connection between the waters north and south of Taiwan is an important one, given that control of Taiwan together with Hainan in the South China Sea would give China not one (as General MacArthur famously suggested in reference to Taiwan alone) but two “permanent offshore aircraft carriers,” and, as a result, a

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commanding strategic posture all along the first island chain. Forward-deployed forces operating from Taiwan could be especially useful in securing safe passage for Chinese ships and subs through the Luzon Strait between Taiwan and the Philippines, one of the widest and deepest channels along the first island chain and one where ASW operations are least effective.

That said, even without Taiwan, a China that was approaching regional hegemon status in the South China Sea, along with a more potent A2/AD sea-denial posture in the waters north of Taiwan, would be able to apply pressure all along the first-chain seas and, again, well into the second-chain zone, making it difficult in a crisis situation for U.S. forces and any allied units operating with them to know exactly where to mass and focus their efforts. For example, as suggested earlier, PLA forces could stage any number of crises in the South China Sea – such as temporarily seizing another reef or island over which ownership is disputed – that would draw U.S. forces southward. They could then take advantage of the distraction to land missile-armed ground units on an uninhabited but strategically valuable island north of Taiwan in the Miyako Strait, a key Ryukyu Island passageway that gives China access to the second-chain seas and then to the open ocean, and through which a good deal of its seaborne trade flows. A diversionary gambit along these lines to pull Washington’s and Tokyo’s eyes to the south could also be initiated if it appeared that U.S. and Japanese naval units were taking steps to restrict (if not block) traffic through the Osumi Strait chokepoint just south of Kyushu, through which the bulk of China’s trade to North America passes. The detection in October 2015 of a Chinese submarine shadowing the USS Ronald Reagan super-carrier as it sailed around the southern end of Kyushu on its way to the Sea of Japan – the closest encounter between a PLAN ship and an American carrier since 2006 – provides evidence that such scenarios may be increasingly on the minds of authorities in Beijing.

With regard to the second island chain more specifically, as China consolidates its control within the South China Sea in a stage 1 scenario, it will acquire new opportunities as well to extend its reach into and even beyond the second island chain setting. Consider the fact that while Hainan may now be the ideal location to deploy China’s long-range ASBMs, once Beijing decides to militarize the South China Sea islands under its control, it could easily deploy these missiles well south on mobile landing platforms or on merchant ships floating nearby or anchored on those islands. Alternatively, and perhaps best of all in Beijing’s view, it could put them on the islands themselves in hardened emplacements. Apart from expanding China’s missile coverage farther out in second-chain waters and along probable USN approaches from the Western Pacific, this would give the PLA a capacity to hold at risk targets throughout most (if not all) the Philippines, likely the northern territory of Australia, and possibly Singapore, locations where the United States intends to increase its military presence as part of the rebalance. It is worth noting that the DF-26 ASBM could already reach Guam from Hainan, but targeting would

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40 Yoshihara and Holmes, 89. According to one senior Chinese analyst, the mutual support Taiwan and Hainan provide each other could be crucial to the future defense of China’s claims to the Spratly Islands and any assets deployed there. Shirong Zhang, “The Taiwan Question Is the Core Content of China’s National Security in the Early 21st Century,” Journal of Yinchuan Municipal Party Congress (2006), 37.
41 The possibility of a PLA feint in one sector of the first island chain to distract an adversary while mounting a main effort elsewhere along the chain is discussed further in Yoshihara, “Chinese Maritime Geography,” 54.
43 Holmes, “Face Off.”
probably be more precise and consistent from a Spratly launch site. China could also deploy H-6 strategic bombers in the Spratlys, the Johnson South Reef airfield being one logical host, from which such planes, armed with standoff missiles, could reach Vietnam, Malaysia, Indonesia, and, again, Singapore.\textsuperscript{44} Already, as part of the previously mentioned H-6 bomber exercise over the East China Sea, the PLAAF has demonstrated a capacity to deploy advanced bombers equipped with ASMs well into the second island chain theater.\textsuperscript{45}

As was the case for stage 1, many of the military options discussed above in a stage 2 context provide China with political-diplomatic and economic benefits as well, including an ability to signal intent more forcefully, to influence official and public perceptions and calculations of risk among neighboring countries, and to undermine future efforts by other powers (principally the United States and Japan) to put economic pressure on Beijing by developing (and testing) a capacity to disrupt, divert, or even cut off China’s maritime trade as it passes through various maritime chokepoints. So, too, there could be major political fallout among longstanding U.S. allies, to say nothing about more recent regional partners, in the more extreme stage 2 scenarios, especially one where China regains Taiwan and still remains quite assertive, paralleled perhaps by a diminished American forward presence or one that is perceived to be weak, risk-averse, and unreliable. This, in particular, would be the setting in which Japan might turn more directly to developing a nuclear option as an equalizer vis-à-vis China, and South Korea might feel the need to lean more fully into Beijing’s orbit.

Stage 3: China expands its capabilities for open-ocean operations and far-sea protection, with a priority focus on resolving its “Malacca Dilemma” and securing the “maritime silk road.” As noted at the outset, the South China Sea is also China’s gateway to the Indian Ocean and the seas beyond, access to which has already become increasingly important to Beijing – and will continue to be – for a host of strategic, diplomatic, and economic reasons. Among the most important in this regard is the fact that the great bulk of China’s oil imports flow through the narrow Malacca Strait between Malaysia and Indonesia, the longest stretch of which runs along the Andaman Sea sector of the Indian Ocean. As noted in the stage 1 discussion, a strong forward military posture in the South China Sea would clearly improve China’s ability to patrol and defend the southern exit of this chokepoint (as the sea lanes pass into the South China Sea), but a greater capacity to patrol and act decisively in the waters to the west of Malaysia and Indonesia along key Indian Ocean approaches to the strait (and within the strait itself) would allow China to conduct a more comprehensive defense of the entire passageway and achieve a more definitive solution to its “Malacca Dilemma.” And more to the point with regard to the South China Sea connection, in a stage 1 scenario in which China militarizes the islands and reefs under its control in those waters, many of the military forces and supporting units that China would draw on for various Malacca contingencies on the Indian Ocean side of the strait would be deployed in staging areas closer to the strait than they might otherwise be, and much better able, as a result, to participate in and sustain PLA operations in such contingencies in a timely and cost-effective manner.


\textsuperscript{45}Fisher, “Chinese Bomber Exercise.”
Of course, securing maritime traffic through the Malacca Strait that is bound for China, while very important to Beijing, is not the only far-seas mission that the PLA, and more particularly the PLAN, will undertake in stage 3, facilitated and supported in part by a more robust Chinese strategic posture in the South China Sea. As alluded to already, maritime operations in the greater Indian Ocean region – including the Arabian Sea and the Gulf of Aden – are meant to provide protection along the full expanse of key SLOCs from the East African coast to the South China Sea on which China’s economy depends. As part of that effort, moreover, the PLAN has been quite willing to participate in multinational counter-piracy operations off the coast of Somalia, in cooperation with American and European naval units, as well as with those from other Asian powers dependent on maritime trade (i.e., Japan and South Korea). Looking to the future, operating in the Indian Ocean will become a key feature as well of China’s “maritime silk road” concept, an initiative first announced by President Xi during his first trip to Southeast Asia in October 2013. In concrete terms, this concept calls for China to work with (and invest in) selected partners in Southeast and South Asia to develop maritime infrastructure – most notably, port facilities principally in Malaysia, Pakistan, Sri Lanka, and possibly Cambodia – to support regional economic growth and cooperation. At the same time, such a network would provide the PLAN (and perhaps China’s maritime militia) with important refueling and replenishment centers, not to mention greater opportunities to “show the flag,” build local military ties, gain experience operating far from home base, and ensure regular Chinese access to a maritime zone of growing strategic importance. It would also offer Beijing a number of economic levers it could manipulate if necessary to discourage statements and actions by countries in the network that would be contrary to China’s interests, including in the South China Sea.

Elaborating just briefly on the counter-piracy example, it is obvious that a greater capacity and willingness on China’s part to operate in the Indian Ocean environment is not entirely counter to the interests of the United States and its allies. In addition to counter-piracy, there are a number of maritime-centered mission areas, such as anti-trafficking more broadly conceived, humanitarian assistance and disaster relief (HA/DR), and search and rescue (SAR) at sea, on which collaboration with China well beyond its core-interest areas in Northeast Asia may be increasingly possible as the PLAN takes on more far-sea protection roles. To some extent, in fact, China may be playing something of a “home game/away game” strategy, whereby it is willing to cooperate in far-sea/away-game settings in the hope that that will somehow help it to play a China-centric home-game strategy, freer of “outside” (i.e., U.S.) interference, in near-sea settings such as the South China Sea. In contrast, a number of American strategists have begun to speculate about the option for an “outside/in” strategy, whereby cooperation with China in the Indian Ocean might be transferrable to – and encourage more cooperative behavior by Beijing within – the South China Sea.47 But either way, both perspectives provide an

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47 The idea of an “outside/in” strategy along these lines was discussed at some length during an IFPA-organized trilateral workshop entitled “The U.S.-Japan-ROK Strategic Triangle & Maritime Security: Building Capacity in Northeast Asia and in the Broader Indo-Pacific Region,” held on June 12, 2015, at the Carnegie Endowment for International Peace, Washington, D.C.
additional example of the linkage between what happens in the South China Sea and what happens in more distant, but still adjacent, maritime zones.

Viewed from a more global perspective, doing far-sea missions in and around the Indian Ocean will also help the PLAN acquire the expertise in open-ocean operations that it will need if it intends to sail even farther away from China’s near seas – reaching out, for example, as far as the Americas – on a more regular basis. For evidence that such deployments are likely to become more frequent, consider the fact that since 2008 the PLAN has conducted an unprecedented series of maritime diplomacy operations in South American waters, including visits by its hospital ship the Peace Ark in 2011 and goodwill tours by regular surface ships to Brazil, Chile, and Argentina in 2013, capped that year by a first-ever naval exercise with the Argentine navy.48 The following year, in the summer of 2014, Chinese ships participated for the first time in the HA/DR portions of the multinational Rim of the Pacific (RIMPAC) naval exercise organized every two years by USPACOM off Hawaii, a cooperative move that was marred somewhat by Beijing’s decision to send as well an uninvited intelligence ship to monitor the overall event from international waters.49 Indeed, suspicions regarding Chinese intentions in that regard were voiced by at least one American strategist who noted that the PLAN sometimes speaks about a “third island chain” toward which it must eventually project power, one running from the Hawaiian Islands southward and just east of the Samoan and Fiji Islands to the coast of Australia near Brisbane.50

More recently, in September 2015, following the largest-ever Chinese-Russian naval exercise in the North Pacific, five PLAN warships passed through U.S territorial waters in the Aleutian Island chain off Alaska, a deployment that reflects in part, some have argued, China’s growing interest in gaining access to the waterways of the Arctic which may play an increasingly important role in seaborne trade in the not-too-distant future.51 Others have added that it may have been a test by Beijing to see how Washington would react to Chinese ships traversing American sovereign waters, information that it might then draw upon in deciding how China ought to react to any U.S. ships coming within twelve nautical miles of Chinese-claimed islands in the South China Sea. However, the main point here is to underscore the connectedness between (and among) increased Chinese control over the South China Sea, China’s expanding operations in the Indian Ocean and associated seas, and its growing willingness and capacity to conduct far-sea operations well beyond the Indo-Pacific region.

In summary, then, and picking up on this last point, the three stages outlined above will influence each other and remain largely interconnected over time, especially since

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what could be achieved in the South China Sea would obviously affect what could be achieved in the waters west of the first island chain that lie north of Taiwan and in those between the first and second island chains, and vice versa. Operationally, for example, a strategic advance by China in the South China Sea and any crisis response it might trigger from the United States and possibly Japan could divert U.S. and Japanese forces (and attention) away from the north to the south, thereby opening opportunities for China to take an initiative in the north that may in fact be its real priority. As for a specific weapons-related illustration, by relying on stealthy diesel-electric subs to patrol near-sea waters inside the first island chain, the PLAN could free up its nuclear-powered SSBNs to prowl farther afield out in second-chain waters where they could more effectively cue shore-based ASM units on the advance of any U.S. carrier strike group that might enter the second-chain zone. Such cueing, of course, would substantially increase the prospects of conducting (or threatening to conduct) more precise ASM strikes on CSG ships well away from China’s “core interest” areas closer to the mainland.

In that context, moreover, it is important to remember that the PLA does not need to match the United States ship for ship or aircraft for aircraft to be successful, especially in short-of-war scenarios. All it has to do is to marshal forces at a particular point in time that are sufficient to convince Washington that the costs of taking action are too high for any conceivable objective that might be achieved. For its part, China’s primary goal in such a situation might be best described as aiming for a local preponderance of military power to achieve escalation control at a particular place for a limited period of time, and, in so doing, to force the United States to self-deter. In many ways, what Beijing is doing in the South China Sea is a “proof of principle” effort for that specific concept, using those waterways, as suggested in the previous chapters, as an optimal testbed for operations it might apply elsewhere along the first island chain, or, in some cases, farther afield in the second island chain sector and well beyond.

Possible U.S. Counter-Responses

Given that Beijing sees control of the South China Sea as a vital way to achieve essential strategic goals within the near-seas zone as a whole and even well beyond, it is sure to continue to invest in the types of military technologies and platforms—including shore-based anti-ship missiles, guided-missile destroyers, stealthy diesel and nuclear-powered submarines, modern maritime patrol and fighter/bomber aircraft, and advanced electronic/information warfare assets—that are the building blocks of an A2/AD posture, and to exercise and refine such a posture in the South China Sea environment. As a result, it seems equally obvious—barring a major flare-up involving Taiwan—that the South China Sea theater is destined to remain the principal locus for maritime rivalry and a potential military standoff between China and the United States (possibly acting in concert with regional allies) over the next decade or two. In that context, moreover, the PRC’s new emphasis on “open seas protection” naval capabilities, combined with its bases in the Spratlys, Djibouti, and probably Gwadar, Pakistan, as well as China’s ambitious infrastructure plans associated with its much-touted Maritime Silk Road, are all factors that suggest Beijing is making sure to “immunize itself” against an opponent’s attempts
to interrupt its maritime trade by either peacetime sanctions or wartime blockades.\textsuperscript{52} And, although unlikely, the possibility that Chinese efforts to deny the United States access to first island chain waters (including the South China Sea), based in part on the PLA’s evolving A2/AD posture there, could actually trigger an open Sino-U.S. conflict should not be ignored.

What America needs, therefore, is a decisive U.S. security policy regarding the South China Sea that is multi-faceted and sufficiently adaptable to address and respond to the gamut of complex challenges posed by China’s intention to establish a potent sea-denial capability throughout its near seas. To date, however, as noted as well in chapter 2, repeated diplomatic exhortations from Washington have consistently failed to slow down, let alone halt, Beijing’s island building and militarization of facilities in the South China Sea. Similarly, several recent U.S. FON operations near China’s artificial islands aimed at reinforcing the Pentagon’s May 2015 pledge to “fly, sail and operate wherever international law allows” have had little impact on China’s advances in the SCS. This, in turn, has prompted experts and U.S. policymakers to question whether the United States in fact has an overarching strategy for countering China’s “salami slicing” tactics, “and if so, whether that overarching strategy is adequate.”\textsuperscript{53} Many have argued, moreover, that the U.S. approach to China’s growing assertiveness has been overly risk-averse over the years and that Washington’s default position to de-escalate tensions before they reach a boiling point has only helped China gain a greater degree of control over land features, waters, and air space in the region. In order to alter China’s incentives, as one observer recently pointed out, the United States should issue a clear warning that “if China continues to construct artificial islands or stations powerful military assets, such as long-range missiles or combat aircraft, on those it has already built,” Washington will shed its long-held position of neutrality toward the South China Sea and will instead increase its efforts to help the region’s countries defend themselves using “counter-intervention capabilities such as surveillance equipment, land-based anti-ship missiles, fast-attack missile boats, and mobile air defenses.”\textsuperscript{54}

There are signs that the United States under the Trump administration may be taking a less risk-averse approach toward Chinese advancements in the South China Sea. According to news reports, the U.S. Navy is planning more regular FONOPs in the area—as many as two or three a month—as opposed to the more ad hoc approach practiced during the Obama administration.\textsuperscript{55} The more regular operations are meant to assert U.S. freedom of navigation as well as reassure allies that the United States is still committed to the regional and maritime status quo. It remains to be seen, however, whether this more aggressive approach will deter further land reclamation activities and artificial island building or whether it will significantly raise tensions with Beijing. China has so far responded harshly to the increased FONOP activities, expressing “strong dissatisfaction,”

\textsuperscript{52} Michael McDevitt, \textit{Becoming a Great ‘Maritime Power’": A Chinese Dream}, CNA, June 2016.
for instance, with a FONOP mission by the destroyer USS *John S. McCain* near a man-made island close to Mischief Reef in August 2017.\(^5^6\)

Aside from increased FONOPs, the United States has continued to work closely with its friends and allies in the Asia-Pacific to reassure them of U.S. strategic commitments to the region in the face of increased Chinese assertiveness. Recent maritime capacity-building efforts in that regard have included providing “equipment and infrastructure support to the Vietnamese coast guard, helping the Philippines build a National Coastal Watch System to improve its maritime domain awareness, and conducting sea surveillance exercises with Indonesia which recently included flight portions over the South China Sea for the first time.”\(^5^7\) In addition, U.S. naval commanders have sought ways to promote security networking among allied nations such as Japan and the Philippines and to encourage ASEAN member states to eventually develop a “combined maritime patrol” framework in the South China Sea.\(^5^8\) Such forms of maritime cooperation do not just benefit regional players and stakeholders that are coping with Chinese coercion but may also gradually help offset the shifting naval power balance by encouraging greater burden-sharing among regional stakeholders.\(^5^9\) Similarly, the United States should maintain its efforts to help strengthen regional multilateral institutions such as ASEAN and the ASEAN Defense Ministers Meeting-Plus (ADMM-Plus), especially considering their essential role for supporting maritime norms, rules, and practices that are being challenged by Chinese military and paramilitary activities in the region.

In terms of a more muscular set of measures the United States could take to address the China dilemma, first and foremost would be to ensure a steady acquisition of naval vessels and assets to counterbalance the massed power of the PLAN fleet and its supporting array of A2/AD weaponry. There is broad consensus among China watchers that maintaining a certain degree of ship-to-ship parity with the PLAN in the U.S. fleet is fundamental to deterring PLA leaders from pursuing more aggressive gains in the maritime domain in the future. Some naval experts have cautioned, however, that the United States is already falling behind in this regard, and that current U.S. naval forces are not adequately sized or outfitted to meet U.S. national security requirements in the Pacific and Indian Oceans. China’s unveiling in mid-2017 of its new Type 055 naval destroyer, for example, highlighted a major feat for the PLAN in the hardware dimension, as the Type 055 warship currently outcompetes the U.S. Navy’s *Arleigh Burke*-class destroyers and the bigger *Ticonderoga*-class *Aegis* guided missile cruisers.\(^6^0\) Given as well that the size of the PLAN may approach 500 ships and submarines by 2030 according to some estimates, “the U.S. Navy must improve qualitatively and quantitatively if it is to provide a credible deterrent force that can fight and win at sea—certainly in the direction of 350 ships,”\(^6^1\) up from the current 274. Although the Trump administration has also called for a 350-ship U.S. Navy and shipbuilding itself is not an insurmountable task for a nation like the United States, it is not a foregone conclusion that this numerical target is

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\(^5^7\) Dolven et al., “Chinese Land Reclamation in the South China Sea.”

\(^5^8\) Dolven et al., “Chinese Land Reclamation in the South China Sea.”

\(^5^9\) Cronin et al., *Beyond the San Hai: The Challenge of China’s Blue-Water Navy*, 34.


\(^6^1\) Cronin et al., *Beyond the San Hai: The Challenge of China’s Blue-Water Navy*, 33.
easily attainable, given ongoing budgetary constraints and the substantial range of other military requirements the U.S. government faces as part of its global security commitments.

Some analysts believe that one area where the U.S. Navy still enjoys a qualitative and quantitative advantage over the PLAN is in submarines. While this may be particularly true when factoring in the submarine fleets of allies like Japan as well, other experts question whether this advantage is as clear-cut as is widely assumed. More specifically, even though the quality of the U.S. Navy’s submarine fleet is still superior to anything the PLAN has acquired, the quantity of submarines may be insufficient to meet the current challenges in the area. In that regard, according to naval analysts, although there are 55 U.S. Navy attack submarines (SSNs) operating in the Pacific, when factoring in routine upkeep, maintenance, and crew rest, only an estimated 22 SSNs are available for deployment at any given time—a stark number given “the vastness of the China seas and Western Pacific in wartime.” Even during peacetime, U.S. submariners may find it difficult to engage in “hold at risk” missions to track and trace Chinese ballistic missile submarine (SSBN) patrols that are likely to begin this year. All this suggests that the U.S. Navy’s qualitative and quantitative superiority in submarines may be ephemeral at best.

To complicate matters, even though the U.S. fleet finds itself potentially outranged by a powerful Asian opponent operating in waters close to home, it will likely be at least several years before any of the required surface combatants are built or until the new long-range anti-ship missile (LRASM) or other promising technologies such as electromagnetic railguns and shipboard lasers “restore long-range hitting power” to U.S. forces in the region. Likewise, the Pentagon’s recent repurposing and 2016 testing of the SM-6 anti-air missile for anti-ship missions provides only “a gap filler” solution to redress the dangerous shortfall in the surface fleet’s arsenal. Aside from having a shorter range compared to its Chinese counterparts, the SM-6, which may be deployed before 2020, has a very high price, making it a temporary measure, since “every round expended against an enemy surface vessel is a round not available to fend off Chinese aircraft or missiles.”

Nevertheless, as noted in chapter 2, the U.S. Navy’s “distributed lethality” concept, which relies on arming ships more heavily with a large number of cheaper, rapid-fire weapons, will help address to some extent the lag in U.S. weapons development. So, too, the Pentagon’s plan to convert the Army Tactical Missile System (ATACMS) into a land-based guided ballistic missile capable of hitting moving warships out to a distance of about 300 kilometers could provide U.S. forces with an inventory advantage and a weapon that is highly mobile and harder for an enemy to locate and strike. The ATACMS, moreover, could also be used to deter China by raising the cost of naval conflict with the United States as well as for enforcing a blockade of critical waterways in times of war.

In addition to these initiatives, the Pentagon has announced the development of the next generation of vehicle-launched missile systems after the ATACMS, the so-called Long-Range Precision Fires (LRPF, or “DeepStrike” missiles), which can hit land and sea targets some 499 kilometers away. The DeepStrike missiles, launched from a High-

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62 Holmes and Yoshihara, “Taking Stock of China’s Growing Navy.”
63 Cronin et al., Beyond the San Hai: The Challenge of China’s Blue-Water Navy, 33.
64 Holmes and Yoshihara, “Taking Stock of China’s Growing Navy.”
65 Ibid.
Mobility Artillery Rocket System (HIMARS), would significantly enhance the U.S. Army’s role in the maritime domain and will allow it to fulfill PACOM Commander Admiral Harry B. Harris’ dream of “getting the Army back in the business of sinking ships.” The idea is, according to experts, that “in any future air-land-sea conflict, particularly in the Pacific, Army forces could land on an island or coastline, bring DeepStrike with them,” and immediately project a "no-go" zone of nearly 500 kilometers “against enemy targets on both land and sea.”⁶⁷ Aside from the A2/AD applications of these new land-based missile systems, they could perhaps become part of future U.S. and allied measures to counter China’s “cabbage” strategy in the South China Sea. By stationing the ATACMS and DeepStrike missiles on allied territories, for example, U.S. forces in the region, in concert with allies and partners, could have the land-based firepower ready to potentially deter Chinese encroachments in disputed areas, a move that would likely go a long way toward assuring Asia-Pacific nations that the United States is committed to supporting them against further Chinese expansion within the waters of the first island chain.⁶⁸

Of course, competition with China involves far more than comparisons of hardware, “gee-whiz weaponry,” or fighting-ship numbers and capabilities. It is also about politics and resolve, and its success will depend to a large extent, as experts point out, on “how much of a nation’s naval power the political leadership is prepared to hazard in combat, considering the political stakes along with competing requirements elsewhere around the world.”⁶⁹ Furthermore, U.S. development of its so-called Third Offset capabilities discussed earlier, along with the Pentagon’s JAM-GC strategy, the evolved replacement for the much-discussed Air Sea Battle (ASB) concept, could also provide useful counters to Chinese assertiveness in the South China Sea arena, including the ability to block or reverse the most egregious or threatening steps Beijing might take. So, too, alternative American approaches and operational strategies now being discussed, including the offshore control concept (centered around the potential for carefully designed blockades of maritime traffic critical to China’s economy) or the idea of an archipelagic defense (in which “friendly islands” are transformed into potent sea power outposts manned by an array of missile-firing ground units)—some, to be sure, likely to be empowered by Third Offset developments—could all have a defining effect on the degree to which China is able (or not) to achieve a dominant position in the first and second island chain seas.

Moreover, to ensure that Beijing does not resort to military force to achieve its expansive objectives, U.S. South China Sea policy would need to focus more on maintaining a credible deterrent in the region, aimed in part at returning some sort of “strategic equilibrium” to the Spratly Islands. In that regard, Vietnam, as the claimant state perhaps best suited and equipped to accomplish that goal, would need Washington’s encouragement and assistance to improve its maritime defenses, especially since Hanoi has given strong indications in recent months it is prepared to fight to keep its holdings in the SCS, and since this predisposition, as one naval expert argues, would also greatly improve deterrence if Chinese leaders concluded they would face “a difficult campaign in

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⁶⁹ Holmes and Yoshihara, “Taking Stock of China’s Growing Navy.”
trying to force Vietnam out of the Spratlys.” 70 Similarly, the U.S.-Philippine Mutual Defense Treaty could preserve another important element of effective deterrence in the region due to the Treaty’s potential applicability if Filipino servicemen were harmed in a confrontation. 71 Meanwhile, as highlighted earlier, by increasing the number and duration of its joint exercises with South China Sea littoral states and by simultaneously expanding future participation in these exercises to include other Asian maritime stakeholders, such as Japan, Australia, South Korea, and possibly India, the United States could both enhance the visibility of its naval and air presence in the region, as well as demonstrate to Beijing that other maritime states are also concerned about stability in the South China Sea and may be preparing to counterbalance Chinese coercion directly. 72

Looking ahead, then, U.S. posture in the Asia-Pacific will likely rely even more heavily on forward defense as perhaps the best strategic approach for Washington to deal with future military advances by China in the South China Sea. This option, moreover, bolstered by its emphasis on denial tactics that are aimed at preventing an adversary from using force to establish dominance over a critical region in the first place, will also reinforce deterrence and other efforts to preserve the status quo in the region by guaranteeing that Washington will resist Chinese aggression, protect its frontline allies, and gradually degrade the PLA’s combat power in a potential confrontation. 73 Of course, as some have argued, the United States might opt to delay its direct response to a contingency in the region while mobilizing additional forces or, alternatively, it could decide to retaliate indirectly in the aftermath of Chinese assertiveness by employing measures such as peripheral campaigns that are meant to deprive Beijing of valuable assets abroad or to impose significant costs on it in other theaters so as to convince it to relinquish any strategic gains. 74 In that regard, Washington could, for example, engage in a distant maritime blockade to disrupt and undermine China’s economic growth, given the PRC’s overwhelming dependence on exported goods and imported resources transported via seaborne trade. Although they may be useful during certain stages of conflict that the Chinese could credibly pursue, both alternative approaches nonetheless share substantial limitations and would have to overcome serious operational challenges if they are to be successful, all of which could, in turn, jeopardize American interests and credibility in the region. Hence, as one prominent observer notes, a U.S. forward defense strategy in the Asia-Pacific is still a requirement, since “the most credible deterrent to aggression is one that persuades the adversary that his forces will be unlikely to achieve the operational objectives assigned to them because of a combination of the capabilities of the defending forces and the will to employ them.” 75

In sum, therefore, the United States (in partnership with its regional allies and partners) must devise a strong and multi-faceted defense strategy for confronting China’s growing military influence in the South China Sea and beyond. None of the three main approaches outlined above, however, is comprehensive enough to address this broad

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71 McDevitt, “U.S. South China Sea Policy 2015-2016.”
72 Ibid.
strategic challenge alone and, more importantly, these options should not be viewed as mutually exclusive futures but rather as interactive and potentially overlapping, with each strategy influencing the others in the event of a conflict. At the same time, operationally, these broad defense approaches are likely to have a substantial influence over the size and composition of U.S. forces operating in the SCS theater, where they might be positioned, and how they plan to interact with allied militaries and confront PLA forces during a crisis.\textsuperscript{76}

That said, the United States will also have to adapt its current strategy of forward defense and deterrence in the region, given the host of new operational challenges posed by China’s rapidly improving A2/AD capabilities that are sure to make power projection in the South China Sea more difficult over time, especially if the United States begins to experience what some experts call a possible “combat power deficit” in the Asia-Pacific as a result of these and other developments.\textsuperscript{77} In particular, as Beijing’s precision-strike regime becomes more powerful and mature, the Pentagon could eventually face an “unfavorable asymmetry” in the area when it comes to generating combat power at the start of a conflict or during a protracted campaign. One way to address this vulnerability, as detailed earlier, would be for Washington to integrate land power with its concepts for air and maritime power projection, specifically by “building up land-based missile forces that could simultaneously present China with many of the operational challenges that the United States now confronts and provide a clear signal to local allies that Washington does not intend to pull back from the region.”\textsuperscript{78} The future design of forward defense will also need to incorporate increased investments in military technology, shipbuilding, and training as well as adjustments in U.S. maritime strategy, particularly as it applies to gray-zone scenarios and the PRC’s enormous coercive capabilities, against which the proper response remains unclear. In addition, successful deterrence and denial efforts will require sustained diplomatic and strategic engagement by Washington to reinforce alliances and build partnerships throughout the region, together with steadfast leadership and a visible show of resolve to ensure that the United States meets the ever-more complex dilemmas posed by an increasingly sophisticated Chinese maritime force operating in the South China Sea and beyond.

\textsuperscript{77} Ibid.
\textsuperscript{78} Ibid.
Chapter 4

Conclusions and Policy Recommendations

As detailed in the previous chapters, Beijing’s increasingly assertive set of policies in the South China Sea, along with its rapidly expanding naval reach and growing military bases in the area, are a near-perfect illustration of the PLA’s declared strategy of conducting offshore active defense within the resource-rich waters of the first island chain, a sweeping maritime zone viewed by China as key to its economic security and national defense. Hence, having a proven capability to deny a potential adversary easy access to these waters in a crisis or conflict situation, or, should access be achieved, being able to complicate an opponent’s ability to operate effectively within them, has become a strategic priority for China. More specifically, achieving air and maritime dominance in the South China Sea via the creation of artificial islands and laying the groundwork for their militarization appears to be viewed by the Chinese as a critical and logical first step to setting in place an anti-access and area denial capability designed to challenge American naval superiority in the region and to limit the ability of U.S. military forces to operate on and above first-island chain waters in the event of a Sino-American confrontation.

There is little likelihood, moreover, that China’s active defense policies in and around the South China Sea will change any time soon or that Beijing will ever give up on its long-term goal of achieving effective control over this critical region. Indeed, the PLAN’s fleet now boasts the largest number of vessels in Asia (excluding the U.S. Navy), and China is already seeking to acquire the capability to unilaterally manage, monitor, and patrol international shipping traffic, as well as manipulate the degree of open access, through important South China Sea passages, lanes and major chokepoints, all aimed at gradually fostering a new, China-led security order in the region that is favorable to it, and one in which the PRC enjoys a key position as an arbiter, or referee. Of course, Beijing’s increasingly potent sea-denial posture in the waters of the first island chain would pose some serious and very real complications to U.S. interests and operations in the near-seas zone even in a combat environment, a challenge that several recent American defense initiatives are aiming to address. However, if the U.S. response to PLA gains in the South China Sea is to be successful, Washington must develop its overarching strategy for the region and associated countermeasures with the following key points and recommendations squarely in mind.

• As the roles and missions of U.S. Navy forces have drifted away from traditional ship-to-ship combat since the end of the Cold War, it is no longer a foregone conclusion that the U.S. Pacific Fleet and its associated forces can prevail or actually get into the Asia-Pacific theater and concentrate superior manpower there at the decisive place and time. This is partly due to the fact that the U.S. Navy now finds
itself woefully behind within the tactical and hardware, as well as the software, dimensions of sea control, and particularly in areas such as countering the sheer number and types of Chinese anti-ship cruise missiles. U.S. military forces, officials and experts agree, are desperately outranged by the Chinese navy’s missile-firing platforms. China already has the ability, for example, to launch anti-ship strikes with cruise and ballistic weapons from ranges as far as twenty-five hundred miles away, allowing Beijing to launch massive swarms of different types of A2/AD missile platforms at U.S. naval assets and thereby greatly complicating U.S. strategy. It is critical, therefore, that the United States does all it can to field systems in the near future with the range and survivability that can close this gap and bolster U.S. anti-ship capability.

- On the operational front as well, ensuring a steady acquisition of naval vessels and assets, and re-calibrating those numbers to counterbalance the massed power of the Chinese fleet and its supporting array of A2/AD weaponry, all loom as important U.S. priorities going forward, especially since the size of the PLAN may approach 500 ships and submarines by 2030. Complicating these plans, however, is the fact that it will likely take at least several years, or even decades by some estimates, before any of the recommended new surface combatants are built or until the new long-range anti-ship missile (LRASM) or other promising technologies such as electromagnetic railguns and shipboard lasers can restore the long-range hitting power of U.S. forces in the region. In the meantime, the U.S. Navy’s “distributed lethality” concept, together with the Pentagon’s plans for ATACMS and DeepStrike missiles that can be positioned in theater on allied territory, will all help address to some extent the lag in U.S. weapons development. As a result, the very real threat that currently exists of U.S. forces being outgunned in a local dust-up by China’s ability to unleash an increasingly diverse range of land- and sea-based missile systems would be diminished. Hence, by drawing the U.S. Army more directly into the battlefield equation, it is hoped that the United States can reduce the likelihood that China could achieve and sustain a dominant position in the South China Sea and in maritime Asia more generally.

- It is important to remember, of course, that the PLA does not need to match the United States ship for ship or aircraft to be successful, especially in short-of-war scenarios. All it has to do is marshal forces at a particular point in time that are sufficient to convince Washington that the costs of taking action are too high for any conceivable objective that might be achieved. For its part, China’s primary goal in such a situation might be best described as aiming for a local preponderance of military power to achieve escalation control at a particular place for a limited period of time, and, in so doing, to force the United States to self-deter. In many ways, what Beijing is doing in the South China Sea is a “proof of principle” effort for that specific concept, using those waterways, as suggested in the previous chapters, as an optimal testbed for operations it might apply elsewhere along the first island chain, or, in some cases, farther afield in the second island chain sector and well beyond.

- Within this context, one key finding of this study to keep in mind is the overwhelming, yet still largely under-considered, importance and effectiveness of the gray-zone strategic approach preferred by Beijing as a way to press its territorial claims, particularly in the South China Sea. The PRC has utilized this “cabbage
strategy” to extremely good effect so far, deploying a deft mixture of maritime surveillance and law enforcement units, fishing vessels armed with maritime militia, and then, when absolutely necessary, PLAN combat elements, in a series of assertive, but well short of open conflict, operations, to create “a semblance of sovereignty over disputed islands, seas, and skies” without triggering a wider crisis that might prompt American intervention. These types of ambiguous operations in the South China Sea, dubbed “small stick diplomacy,” have been incredibly useful in helping Beijing to identify and properly support the varieties of gray-zone strategies and associated maritime capabilities that it will need, in concert with the “big stick” component of China’s broader A2/AD military strategy, to advance its expansive claims and to secure a more dominant position throughout (and perhaps well beyond) the seas of the first island chain, including even in the “less permissive” East China Sea. Just as it is for the PLA’s A2/AD strategy as a whole, then, the South China Sea is likely viewed by the Chinese leadership as an indispensable “maritime laboratory” for perfecting the most productive gray-zone techniques and coercion components available to it, a real-world laboratory in which Beijing has little desire to “play second fiddle” to any local or outside power.

• So, too, the PLA’s “Three Warfares” strategy, an information warfare concept that Beijing continues to expertly employ throughout the South China Sea as well, has now become one of China’s most important approaches to intimidate and pressure its neighbors. As part of this multi-pronged strategic approach, for example, the PRC is using the elements of psychological warfare, media warfare (also known as public opinion warfare), and legal warfare (or “lawfare”) in deliberate and interconnected ways to disrupt an opponent’s decision-making capability, manipulate international perceptions and attitudes, and exploit the legal system in its own favor, be it in peacetime or war. By keeping its focus on psychology manipulation, rather than on kinetic force, moreover, Beijing has found a relatively low-cost, yet high-benefit way to fight “war by other means” and to use the PRC’s distorted interpretation of international law as a weapon to hamstring its adversaries in the region and advance its territorial and resource acquisition.

• Looking ahead, then, Washington will need to develop tailored countermeasures that play to U.S. strengths and capabilities as part of an overall American strategy in the South China Sea that is more decisive, multi-faceted, and sufficiently adaptable to respond to the gamut of complex challenges posed by China’s coercive and aggressive policies within the first island chain. For the moment, a forward defense approach in the region appears as perhaps the best and most likely option for Washington to deal with future provocations or military advances by China. Indeed, bolstered by its emphasis on denial tactics that are aimed at preventing an adversary from using force to establish dominance over a critical region in the first place, forward defense will also reinforce deterrence and other strategic efforts to preserve the status quo in the region. This in turn, as many experts argue, could allow the United States to start influencing and shaping events in the South China Sea, rather than having to respond to them afterward by attempting, for example, to restore the status quo, impose costs on Beijing that outweigh the benefits of aggression, or potentially convince it to relinquish any territorial gains it has already made.
What is needed in addition is a willingness on the part of the United States to sustain a credible maritime posture in the region, based in part on regular FON operations and aerial surveillance/overflights over contested waters. Such a posture should take advantage of the most advanced technologies available and innovative operational concepts, such as the Third Offset strategy, to maintain a flexible and responsive forward U.S. presence, to leverage where possible allied/partner country capabilities, and, in this way, to fashion an effective response to China’s increasingly potent A2/AD policies. Perhaps most important of all, in managing strategic relations with China, the United States must be willing to accept a greater degree of risk than it has at times in recent years, with the aim of avoiding the possibility of being “self-deterred” because of a fear of escalation. Properly executed, this can be done without being reckless, and it could tip the “balance of resolve” in the South China Sea and elsewhere back in Washington’s favor.

Successful U.S. deterrence and denial efforts will also require sustained diplomatic and capacity-building engagement by Washington, aimed at reinforcing alliances and strengthening partnerships throughout the region. U.S. efforts in that respect should concentrate on building up the maritime self-defense capabilities of key littoral countries along the South China Sea facing pressure from Beijing (especially the Philippines and Vietnam). Such efforts should include a greater emphasis on training and education with regard to maritime operations, the provision of appropriate naval vessels and related hardware, and perhaps the construction of modern airfields and ports. Built largely for commercial purposes, such facilities could also help to support future joint military operations and training missions with American forces. Maintaining a more credible deterrent in the region, moreover, could help return some sort of strategic balance to the Spratly Islands, something that would pay considerable dividends in the long run, especially if Hanoi, with assistance and encouragement from Washington, is able to convince Chinese leaders that they would face a tough campaign in trying to coerce and force Vietnam out of the Spratlys.

The extent of control that PLA forces can achieve over the South China Sea and adjacent waters will also depend to a significant extent on how Japan, Australia, India, and other countries in the region might enhance and integrate their collective military capabilities and eventually coordinate their own support for frontline states like the Philippines and Vietnam. Given their abiding wish to avoid confrontations with China, the nations of Southeast Asia, in particular, are closely watching U.S. responses (or lack thereof) to Chinese assertiveness in the South China Sea for indications that Washington is paying attention to developments in the region and will act to protect its interests and treaty obligations, taking steps when necessary that go beyond mere diplomatic demarches.

Of course, the prospects for cooperation and constructive engagement with China should not be discounted, and such efforts, for example, could include counter-piracy operations and other constabulary endeavors in the Gulf of Aden and elsewhere that could perhaps turn into an “outside-in strategy,” whereby allied powers can cooperate with Chinese forces outside Asia and hope to radiate these habits of cooperation into the waters of the East and South China Seas. Nevertheless, as experts point out, such collaborative arrangements, particularly within the first
island chain, may be difficult to extend beyond purely straightforward humanitarian assistance and disaster response missions, given that any cooperative constabulary duty would be perceived in Beijing as ratifying U.S. maritime supremacy in Asia and sharing jurisdiction in seas and air space over which it insists vehemently that it holds indisputable sovereignty. Ultimately, however, the common purpose and priority of the United States and its regional allies should center on deterring China first, while also cooperating with Beijing when feasible, though yielding nothing on principle to the PRC for the sake of cooperation. This order of priority is significant, since China is unilaterally seeking to establish a precedent that it can amend or repeal parts of the law of the sea by fiat, which would be a very dangerous precedent for the U.S. alliance network in the region to accept.

At root, the fundamental question that U.S. policymakers would need to agree upon is whether to push back forcefully now, even if that heightens the risk of military confrontation, or fall back and allow the PLA to gradually bend the diplomatic and strategic setting in its favor. To successfully compete with China, moreover, the United States must simultaneously clarify its own goals and decide how much it values those goals and the magnitude of effort and naval power it is willing to expend or hazard in combat to maintain the U.S. position as a leading Pacific power, considering the political stakes involved along with various competing requirements elsewhere around the world. For the moment, in the absence of a sense of immediate or medium-term crisis in the South China Sea region, it may be tempting for the Trump administration to focus, as it has up until now, primarily on regional issues related to North Korea and trade. Going forward, however, the U.S. leadership will need to do all it can to stop China’s maritime advances and start shaping Beijing’s behavior before a crisis arises, a critical task especially if Washington hopes to maintain its influence in the Western Pacific and keep its ability to uphold the rules-based international order in the South China Sea and beyond.
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