



National Security Update

The Implications of China's Actions in the South China Sea and U.S. Options

This *IFPA National Security Update* addresses the potential consequences of China's strategy to control the South China Sea and possible U.S. and allied responses.¹ Key conclusions and recommendations include:

- 1.** China's increasingly aggressive behavior in the South China Sea reflects a belief that it will become the major actor in the Asia-Pacific region as the influence of the United States in the region declines.
- 2.** China's gray-zone strategic approach in the South China Sea – i.e., the use of maritime surveillance, law enforcement units, armed fishing vessels, and People's Liberation Army (PLA) Naval combat elements in operations short of open conflict – seeks to create sovereignty in the region without causing a crisis that might spark U.S. involvement. To counter Beijing's gray-zone strategy, the United States must maintain a credible maritime posture including a robust forward presence, regular freedom of navigation operations, and aerial surveillance/overflights.
- 3.** It is no longer a foregone conclusion that the U.S. Pacific Fleet and associated forces can prevail in the Asia-Pacific theater to concentrate superior manpower and overcome China's anti-access/area denial (A2/AD) capabilities. The United States must field weapon systems with the range and survivability that can close this gap and bolster U.S. anti-ship capabilities. This includes developing a new long-range precision anti-ship missile and advanced systems such as electromagnetic rail guns and shipboard lasers, together with modifying the Army Tactical Missile System (ATACMS) for the anti-ship mission.
- 4.** Chinese hegemony in the South China Sea will also depend on how Japan, Australia, India, and other countries in the region integrate/coordinate their military capabilities, as well as work with the United States, to counter China.

Introduction

Over the past five years, China has pursued increasingly assertive and provocative policies in the South China Sea (SCS) including the seizure, expansion, and militarization of reefs and islets claimed by China in the SCS. Beijing is unlikely to give up its long-term goal of achieving effective control over this critical region including 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.

Moreover, based on current Chinese activities, it is likely that Beijing will continue to improve and expand the facilities and defense-related networks it has already established on these artificial islands in the SCS to host and support People's Liberation Army (PLA) forces and operations.ⁱⁱ Beijing sees control of the South China Sea as extremely important. It is the means to achieve essential strategic goals within the near-seas zone and even well beyond.

China's Objectives in the South China Sea and Beyond

China has a declared strategy of conducting offshore active defense within the waters west of what it refers to as the "first island chain," running from the southern tip of Japan along the Ryukyu Islands to Taiwan, the northern part of the Philippines, to Borneo and encompassing the Yellow Sea, the East China Sea, and the South China Sea through which run the vital sea lanes linking the Persian Gulf to Northeast Asia and Northeast Asia to North America. The maritime span is viewed by China as its "near seas," and key to its economic security and national defense. The fact that these waters are believed to be rich in oil and gas and account for a high percentage of China's annual fish catch provides an additional incentive for Beijing to establish greater control.

Possessing the capability to deny a potential adversary – i.e., the United States – easy access to these waters, or, being able to complicate an aggressor's ability to operate effectively within them, is a strategic priority for China. China is building and testing an anti-access and area denial (A2/AD) network in the fairly permissive environment of the South China Sea before investing in such a network elsewhere along China's coast. This approach will make it easier for Beijing to expand and improve A2/AD deployments in other portions of China's near seas and to extend coverage out to 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. It is in the second island chain where the PLA would want to halt or disrupt any American naval advance toward the first chain in a possible future crisis contingency, especially one involving Taiwan.

Given that the SCS is a more permissive theater within which to operate because 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 in the second island chain, the SCS has emerged as a setting to test, refine, and demonstrate the effectiveness of the gray-zone strategic approach preferred by Beijing to press its territorial claims. A gray-zone strategy employs the use of maritime surveillance, law enforcement units, armed fishing vessels, and PLA Naval (PLAN) combat elements in operations short of open conflict to establish sovereignty in the region without causing a crisis that could lead to intervention by the United States. In addition, China uses the so-called "Three Warfares" strategy, a PLA information warfare concept employing elements of psychological warfare, media warfare, and legal warfare (or "lawfare") with very specific and interconnected aims designed to hamstring adversaries.

This is all part of Beijing's strategy of utilizing "non-military" instruments to: (1) consolidate disputed claims in the SCS; (2) delay resolution of issues it cannot yet settle in its favor; and (3)

coerce potential opponents while limiting the prospect of escalatory moves by those who oppose China's claims and its efforts to render them *faits accomplis*.

These operations in the South China Sea have been largely successful so far in strengthening China's maritime claims without raising the prospect of serious military conflict. They also have been valuable in helping Beijing identify and properly support gray-zone strategies and associated maritime capabilities that it will need in combination with its A2/AD military capabilities to advance territorial claims and to secure a more dominant position throughout the first island chain and beyond.

Beijing also considers the South China Sea to be an important gateway into the Indian Ocean and to the littoral areas of Southeast Asia, South Asia, the Arab Gulf, and East Africa. The Indian Ocean contains the sea lines of communication (SLOC) that carry the critical energy supplies and other raw materials on which the Chinese economy depends, including approximately 50 percent of China's crude oil imports from the Arab Gulf through the Indian Ocean and into the SCS. Access to and through the Indian Ocean is also critical for PLAN to undertake far-seas-protection missions such as SLOC defense, counter-piracy, and the rescue of Chinese nationals working abroad, as well as to build stronger trade ties with selected countries along the so-called "maritime silk road" and even as far away as Central and South America.

Developing a capacity to operate around the primary chokepoints and passageways that link the SCS and the Indian Ocean could also improve China's capacity to break any future blockade a potential adversary – in Beijing's eyes, the United States – might attempt to impose on commerce headed to or from China through these strategic waterways but especially via the Malacca Strait.

However, rather than seeking to 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 manage, monitor, and patrol the shipping traffic, as well as manipulate the degree of open access vessels have through these maritime passages and chokepoints, all aimed at gradually fostering a new, Chinese-led security order in the region that is favorable to China and one in which Beijing holds the key position as an arbiter or referee.

Beijing has made it clear that it intends to continue to militarize the artificial islands it has built with its longer-term goal to achieve strategic dominance over the SCS. Chinese assertiveness, including expansive maritime claims and large-scale militarization of SCS islands, disruptive diplomacy aimed at undermining a common response from the members of ASEAN (more below), continued disregard for international legal frameworks such as the United Nations Convention on the Law of the Sea, ignoring the July 2016 ruling by The Hague that China was making excessive claims about its maritime sovereignty in the South China Sea, and growing reliance on economic policies and maritime paramilitary forces to coerce other states in Asia, will persist and likely intensify.

China's Military Buildup and Militarization of the SCS Artificial Islands

In pursuit of its maritime objectives, Beijing has embarked on a reorganization and modernization of its armed forces with investments in the types of naval and air capabilities that would enable the PLA to operate at greater distances from the Chinese mainland, and even

beyond the Pacific, as well as to defeat or counter third-party – especially U.S. – power projection or intervention during a crisis in the East and South China Seas.

China's emphasis on maritime power to achieve global reach and influence is reflected in the expanding capabilities of the Chinese navy which over the past few years has increased in size. Apart from the U.S. Navy, China possesses the largest inventory of naval platforms in Asia with more than 300 surface ships, submarines, amphibious ships, and patrol craft.ⁱⁱⁱ Moreover, in 2012 China commissioned its first aircraft carrier and has begun construction of its first indigenous aircraft carrier.

In addition, the Chinese air force, the largest in Asia and the third largest in the world, continues to modernize its naval aviation with newly built aircraft that carry sea-skimming supersonic anti-ship cruise missiles. China is also pursuing two stealth fighter programs. Beijing's development of quieter, more sophisticated submarines poses a 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 SCS.

Chinese military leaders have focused on developing A2/AD capabilities in the form of surface ships, 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.^{iv} The goal is to use these capabilities to counter American naval superiority and a potential U.S. military intervention across the Pacific.

China is well on its way to transforming these artificial islands into operating bases for forward-staging of its military capabilities, while claiming they are civilian facilities. It has begun installing military equipment and facilities in the reclaimed bases, including new or improved radars, sophisticated communications systems, anti-aircraft batteries, deep-water port facilities, and at least three airfields.

In just over five years, the Chinese have built at least 12 militarily significant facilities in the contested South China Sea, including three major fighter bases each with protected facilities for dozens of long-range strategic bombers. Beijing could also be preparing to deploy A2/AD. This worries U.S. military planners because given that the most advanced Chinese A2/AD weapons systems are road-mobile, their deployment could occur rapidly.^v

One of the most critical characteristics of China's actions has been the construction of a variety of high-frequency-radar installations and sophisticated communications systems on most of the artificial islands. While they may appear to be less escalatory than anti-air missile batteries or aircraft bases, radar installations are of enormous utility and importance to the PLA: these dispersed radar systems will significantly extend the PLA's maritime domain awareness and its ISR capabilities throughout the SCS. In combination with China's growing military and intelligence satellite network, they will allow improved real-time tracking of vessels and other military assets throughout the entire region.

For example, according to a major assessment, China would be able to 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 aircraft carrier several times during a

week-long conflict.^{vi} Moreover, satellite uplink equipment is being constructed on many of the reclaimed islands in the SCS providing an over-the-horizon targeting capability for China's growing arsenal of anti-ship ballistic missiles and extending the envelope of A2/AD coverage to moving targets such as aircraft carrier strike groups.

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. In addition, if the PLA deploys surface-to-air missiles and jet fighters on its larger artificial islands in the Spratlys, China will effectively be establishing control over the airspace throughout nearly the entire South China Sea, seriously threatening freedom of overflight.^{vii}

Countering Chinese Activities in the SCS: Allied Concerns and U.S. Options

China's substantial gains and advancements in capability noted in the previous section 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 quality, sophistication, or numbers of high-end systems. For example, in the era of precision strike, with enough U.S. and allied combat power brought to bear, China's island bases could be vulnerable to being overwhelmed.

However, it is beyond 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. 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 range of potential maritime engagements in the Asia-Pacific.

China has realized that it does not need to deploy overtly military assets to establish dominance over other countries in the South China Sea. Beijing's frequent use of paramilitary vessels and civilian maritime assets that are more military than civilian has been an effective means of expanding its maritime claims without presenting a that could lead to an armed retaliation and all-out conflict. This strategy presents a complex dilemma for potential adversaries, including American military forces, over whether or not to act when faced with Chinese provocations in the region.

As highlighted earlier, Chinese coercion and acts of assertiveness are likely to unfold in a gray-zone manner, which could effectively deter timely U.S. action or even cause the United States to become self-deterred. It can be argued that this is what was occurring when China pursued its island reclamation projects and declared sovereignty over the results until, after much handwringing, Washington finally sent a U.S. ship on a freedom of navigation operation (FONOP) in the Spratlys within 12 nautical miles of a reclaimed island in October 2015.

To date Asia Pacific nations have struggled to band together in response to China's tactics. Beijing's rival claimants in the SCS have long hoped that ASEAN could mount a united front.

Unfortunately, so far the ten-member bloc has been unable to speak cohesively or to show a common rhetorical stance on the issue, much less to organize a mechanism for punishing China's provocations. China strongly prefers to negotiate with ASEAN members individually while it skillfully exploits the bloc's internal differences.

In addition, rather than admit that parts of the SCS are contested – thus granting fellow claimants some measure of legitimacy – China behaves as though its sovereignty is an established fact, holding its military might in reserve as a deterrent or coercive option that Southeast Asian states know would be deployed if they challenge Beijing's wishes.^{viii}

China has also prevented claimant and other states from embracing too closely outside powers such as the United States by employing a divide-and-conquer strategy to disrupt cohesion in the bloc, often leveraging its massive economic clout and much-needed infrastructure investment funds to coerce individual states.

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 manipulate the diplomatic and strategic setting in its favor.

To address the problem, the Trump Administration must convince China that future provocations in the South China Sea will elicit reactions and outcomes that set back rather than advance Beijing's political goals. The United States must also accept greater risk and the possibility of escalation in the Asia-Pacific without being reckless if America's response is to be successful. The Trump Administration is taking China's actions in the SCS seriously as evidenced by its National Security Strategy which identifies China as a "strategic competitor" as well as by Defense Secretary Jim Mattis' recent trip to Asia to reassure key U.S. allies regarding territorial disputes in the SCS maritime region.^{ix}

To begin, at the strategic level policy makers in Washington must orient their approach to Beijing's assertive new strategy, clarify their goals, and decide on the level of effort they are willing to expend to maintain the U.S. position as a leading Pacific power. This would include marshalling resolve, resources, and regional allies to uphold and jointly defend the maritime principles and order in the Asia-Pacific. 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.

Not only does China's growing maritime power pose strategic challenges for U.S. decision makers but it also highlights weaknesses and deficiencies in some of the U.S. Navy's current wartime capabilities. In some respects, 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 against terrorist and insurgent groups in Afghanistan and Iraq, and guided-missile destroyers now serve as platforms for ballistic missile defense systems, diverting them away from traditional surface warfare roles. We need to bolster *both* our BMD and traditional maritime capabilities in the Asia-Pacific area. Neither can be shortchanged for the other because both are essential.

Military approaches that should be pursued by the United States to counter China include the U.S. Navy's "distributed lethality" initiative which involves boosting the overall volume of

munitions carried onboard ships, relying on a larger number of less-expensive, rapid-fire weapons systems (rather than on a more limited number of more costly precision strike assets). The primary aim would be to leverage the ordnance currently available to the U.S. Navy to bolster the firepower of naval forces likely to be deployed forward when a standoff or confrontation at sea might occur with the PLA. It is hoped that the development of a new U.S. long-range precision anti-ship missile together with advanced systems such as electromagnetic railguns and shipboard lasers would narrow any firepower advantage China may enjoy in the SCS and other regional waterways.

The Pentagon also plans to convert the Army Tactical Missile System (ATACMS) into a land-based guided ballistic missile capable of hitting moving warships at a distance of about 186 miles. Positioned in theater on the territory of U.S. regional allies and partner countries, mobile anti-ship ATACMS would be difficult for the Chinese to track and attack and would enjoy a significant inventory advantage over U.S. aircraft and naval vessels armed with anti-ship missiles, especially since land-based systems would have no major physical limitations on the number of missiles available.

It is also critical for Washington to continue developing new platforms and refining joint operational concepts designed to defeat China's A2/AD capabilities. This includes the Joint Concept for Access and Maneuver on the Global Commons 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 blockade on China's seaborne imports of natural resources.

To ensure America's continued ability to live up to its treaty commitments and reassure allies of U.S. resolve, and to uphold the maritime rule of law in the SCS at an acceptable cost, however, immediate action is imperative. Together with the initiatives highlighted above, other possible U.S. responses to demonstrate greater resolve with China include conducting stepped-up freedom of navigation operations (FONOPs) within 12 nautical miles of China's artificial islands,^x increasing the number of sailing days that U.S. warships spend in the South China Sea, and continuing/expanding U.S. ocean surveillance patrols to gather intelligence throughout the western Pacific.

Key Findings and Conclusions

The increasingly aggressive behavior of China in the SCS reflects the belief that it will become the major actor in the Asia-Pacific region as the role and influence of the United States declines. Sino-American relations will be characterized by cooperation and competition. For the United States, the question will be the importance of those issues to its national interests and its willingness to defend those interests. For China, the risks of confrontation may be less well perceived, particularly as its recent provocations have been met with only political resistance not with any meaningful military action. China is focused on a new nationalism that regards the South China Sea as an area of influence akin to that of the Americas under the Monroe Doctrine.

It is no longer a given that the U.S. Pacific Fleet and its associated forces can prevail in the Asia-Pacific theater and concentrate superior manpower there at the decisive place and time. In part, this is because the U.S. Navy increasingly will find itself falling behind within the tactical

and hardware, as well as the software, dimensions of sea control to counter the sheer number and types of Chinese anti-ship cruise missiles.

U.S. military forces are out-ranged by the array of Chinese navy's missile-firing A2/AD missile platforms which possess the ability to launch anti-ship strikes with cruise and ballistic weapons from ranges twenty-five hundred miles away, greatly complicating U.S. strategy. The United States, therefore, must field systems with the range and survivability that can close this gap and counterbalance the Chinese fleet and its A2/AD weaponry which may approach 500 ships and submarines by 2030. However, it may take several years, or even longer, before needed surface platforms, new long-range anti-ship missiles, or promising technologies – e.g., electromagnetic railguns and shipboard lasers – can restore the long-range fire power of U.S. forces in the region.

The U.S. Navy's distributed lethality concept together with the Pentagon's plans for U.S. Army's ATACMS and Deep Strike missiles, however, will help address this lag in U.S. weapons development and diminish the threat posed by China's ability to unleash a range of land- and sea-based missile systems. By drawing the 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.

The importance and effectiveness of China's gray-zone-strategic approach to press its territorial claims in the SCS has not been fully understood or assessed by the United States. China has utilized the deployment of a mixture of maritime surveillance and law enforcement units, fishing vessels armed with maritime militia, and only when necessary, PLAN combat elements, in operations short of open conflict, to create a semblance of sovereignty over disputed islands, seas, and skies without triggering a wider crisis that could prompt American intervention.

These types of ambiguous SCS operations have been extremely useful in helping Beijing identify and support various gray-zone strategies and associated maritime capabilities that it will need, in concert with China's broader A2/AD military strategy, to advance its claims and to secure a more dominant position throughout – and perhaps beyond – the seas of the first island chain. China views the SCS as a maritime laboratory for perfecting its gray-zone techniques.

The United States needs to sustain a credible maritime posture in the region including regular FONOPs and aerial surveillance/overflights over contested waters, taking advantage of advanced technologies and innovative operational concepts, maintaining a responsive forward U.S. presence, and leveraging allied/partner country capabilities as an effective response to China's increasingly potent A2/AD capabilities. The United States must also accept greater risk to avoid being self-deterred because of a fear of escalation.

In addition, the level of control that China can achieve in the South China Sea and adjacent waters will depend on how Japan, Australia, India, and other countries in the region enhance and integrate their military capabilities and cooperate with the United States as well as coordinate their support for frontline states like the Philippines and Vietnam. The nations of Southeast Asia are closely monitoring U.S. responses to Chinese activities in the SCS and evaluating whether Washington will take the necessary steps to protect its interests and treaty obligations.

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.

Endnotes

- ⁱ This IFPA National Security Update is based on a major IFPA study entitled *Weighing the Consequences of China’s Control Over the South China Sea*, by Charles M. Perry and Bobby Andersen. See http://www.ifpa.org/pdf/PDF_South%20China%20Sea%20Book_BA_11.21.17.pdf.
- ⁱⁱ “China’s Big Three Near Completion,” Asia Maritime Transparency Initiative (AMTI), Center for Strategic and International Studies (CSIS), March 27, 2017. See <https://amti.csis.org/chinas-big-three-near-completion/>.
- ⁱⁱⁱ U.S. Department of Defense, *Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment*, 2015.
- ^{iv} Michael Green et al., *Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence*, Center for Strategic and International Studies, May 2017.
- ^v “China’s Artificial Islands Are Bigger (And a Bigger Deal) Than You Think,” by Thomas Shugart, *War on the Rocks*, September 20, 2016. See <https://warontherocks.com/2016/09/chinas-artificial-islands-are-bigger-and-a-bigger-deal-than-you-think/>.
- ^{vi} *Chinese Threats to U.S. Surface Ships: An Assessment of Relative Capabilities, 1996-2017*, RAND Research Brief, January 2015.
- ^{vii} “Chinese Warnings to U.S. Plane Hint of Rising Stakes over Disputed Islands,” by Simon Denyer, *The Washington Post*, May 21, 2015.
- ^{viii} *A Competitive Turn: How Increased Chinese Maritime Actions Complicate U.S. Partnerships*, by James R. Holmes, Center for a New American Security, December 2012.
- ^{ix} *National Security Strategy of the United States of America*, The White House, December 2017. See <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>; and “Mattis signals harder line in South China Sea,” by Richard Javad Heydarian, *Asia Times*, January 25, 2018. See http://www.atimes.com/article/mattis-signals-harder-line-south-china-sea/?utm_source=Sailthru&utm_medium=email&utm_campaign=ebb%2001.25.2018&utm_term=Editorial%20-%20Early%20Bird%20Brief.
- ^x On January 20, 2018, the United States Navy deployed its guided missile destroyer *USS Hopper* within the 12-nautical mile radius of the Scarborough Shoal, a contested land feature in the South China Sea. See http://www.atimes.com/article/mattis-signals-harder-line-south-china-sea/?utm_source=Sailthru&utm_medium=email&utm_campaign=ebb%2001.25.2018&utm_term=Editorial%20-%20Early%20Bird%20Brief.

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February 9, 2018 Report

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