

# CHINA'S MARITIME AMBITIONS

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## HEARING

BEFORE THE  
SUBCOMMITTEE ON ASIA, THE PACIFIC AND  
NONPROLIFERATION

OF THE

COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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## CHINA'S MARITIME AMBITIONS

Tuesday, June 30, 2020

HOUSE OF REPRESENTATIVES  
SUBCOMMITTEE ON ASIA, THE PACIFIC AND  
NONPROLIFERATION  
COMMITTEE ON FOREIGN AFFAIRS

*Washington, DC.*

The subcommittee met, pursuant to notice, at 3 p.m., in room 2172 Rayburn House Office Building, Hon. Ami Bera (chairman of the subcommittee) presiding.

Mr. BERA. The Subcommittee on Asia, the Pacific, and Nonproliferation will come to order. Without objection, the chair is authorized to declare a recess of the committee at any point and all members will have 5 days to submit statements, extraneous material, and questions for the record subject to the length and limitation in the rules. To insert something into the record, please have your staff email the previously mentioned address or contact full committee staff.

As a reminder to members, please keep your video function on at all times even when you are not recognized by the chair. Members are responsible for muting and unmuting themselves, and please remember to mute yourself after you finish speaking. Consistent with the H.Res.965 and the accompanying regulations, staff will only mute members and witnesses as appropriate, when they are not under recognition, to eliminate background noise.

I see that we have a quorum and will now recognize myself for opening remarks. Before I start my opening remarks, let me welcome back the members on the subcommittee.—I know we miss being here together, but we have in the interim, had a robust agenda in terms of looking at a number of issues that are pertinent to the region as well as non-proliferation.

And with that, let me give myself 5 minutes for opening remarks. I want to thank the ranking member and the members of the subcommittee, our witnesses, and members of the public for joining us at today's hearing. Over the past several months, we have seen how COVID-19's race around the world has sparked remarkable upheaval and disruptions in the global economy and international stability. This subcommittee held the first hearing on the novel coronavirus in early February, and subsequently had additional hearings. And I, as a doctor, continue to remain concerned about the both global pandemic and the disruptions around the global pandemic, but also the economic challenge.

China is central to what is happening. We know the novel coronavirus initiated in China. We saw the disruptions in supply chains with this pandemic. We saw the lack of transparency around the coronavirus. And those are all issues that are important

for us to take a look at, and we will. We have also seen China's economic coercion and predatory lending practices around the world, what is happening in Hong Kong, and multiple issues, but today we are here to focus on China's maritime ambitions.

I was first elected to Congress and sworn in, in 2013, and through the years that I have been on this subcommittee, I have viewed China's action in the maritime domain with deep concern.—We watched with alarm when China built up and militarized features in the Spratly Islands and other areas in the region. In recent months, we have seen China has continued its coercive actions and aggressive actions. Chinese fishing boats have swarmed Indonesian waters near the Natuna Islands in December and China sank a Vietnamese fishing boat in April.

We have seen the same story in the East China Sea and the Indian Ocean. In May, Chinese coast guard ships pursued a Japanese fishing boat in Japanese waters. I also continue to have concerns about China's influence in the Indian Ocean like at the Hambantota port, and the implications for the United States and other countries in the region.

These actions pose serious threats to regional stability and this is not what you see out of a responsible global leader.—And China has to make that decision.—Does it want to be a responsible global leader or will it be a nation that sits apart? And China's actions in these areas are vitally important to the world's economy.

We know the large number of goods and services that moves through the South China Sea and are vital as we look at economic recovery. Shared values and principles like freedom of navigation matter, but China ignored an international court ruling that declared they had violated the U.N. Convention for the Law of the Sea in 2016. A convention, by the way, that the United States should have ratified a long time ago.

Now, as we move forward, we have our friends in the region and I talked to many of them such as our Quad Coalition, our like-minded colleagues in Japan, India, Australia. If you talk to the other nations in the region such as Vietnam, the Philippines, et cetera, and they all express concern at China's aggressive behavior in the maritime space.

As we think about this and as we move forward, again China can be an isolated nation or it can choose to work in a collaborative, cooperative way with the rest of the world's leaders and the rest of the world's global economy. Going forward, we will be looking at a number of these issues and it is our hope, over time, that China understands that it can better accomplish its goals by having a cooperative relationship. Certainly they will be a competitor, but we hope for a cooperative relationship built on values of free market, values of freedom. Unfortunately, we have seen in recent years China going in the opposite direction.

I look forward to the testimony of the witnesses, and I now yield to my friend from Florida, our ranking member, Representative Yoho for any opening comments you may have.

Mr. YOH. Thank you, Mr. Chairman. I appreciate it, and I look forward to our expert panel today. And I do thank you for your leadership, because I remember February 5th when we had that first hearing on coronavirus and one approximately 2 weeks later.

You were definitely on the cutting edge of that exposing the origin of that. I look forward to hearing, as I said, from our expert witnesses.

And I think what we need to do is define what China is trying to do, you know, what are they doing, what is their ultimate goal, and then how do we counter what they are doing. You know, when you look at what China has done, they have encroached on so many nations of the ASEAN block of nations, whether it is the Philippines, the Vietnamese, Brunei, you know, the list goes on, Malaysia, Indonesia. Not just on their sovereignty of their land, but their EEZ zones where they do their commercial fishing, explore for minerals off the coast that belong to those nations, China has encroached upon those.

In addition, China has ignored international laws. When the Philippines sued them over the rights of their EEZ, the Chinese lost that court. They did not honor the ruling of that, said it does not apply to them yet they apply a nine-dash line that is anything but accurate. It is fallacy. It is their wish list. And for them to claim a nine-dash line that is sovereign territory of China would be as ridiculous as the United States claiming all of the moon because we put a flag on it first.

And I think these things need to be brought into perspective, because again it goes back to what is China trying to accomplish? They are building a five—or a blue-water navy. They are expanding in areas that are not theirs. They have lied to not just us and to President Obama in the previous administration about militarizing those dredged land masses in the South China Sea and the East Sea, they have militarized those even though they said they were not.

And so when one looks at what they are doing, their expansion of what they are doing, it looks like they are looking to claim and take over landmasses that do not belong to them, and I think these all need to be pointed out. And again, I think we need to look at what is China's ultimate goal and then we need to call them out on this.

And the way that we can do that is you can do it in one of three ways. You can have a conflict which nobody wants and nobody is advocating. You can have economic pressure put on China. And then there will be the humiliation action, and I think humiliation regardless of what China does is going to come to them. But I think the best way to deal with this is through economic actions and it should not be the United States alone. It should be all nations affected by this because all nations are going to be affected by China's aggression in that area. And if we do these things, we can have peaceful resolutions, which is the ultimate goal of all of us, and open and free trade.

And with that, Mr. Chairman, I am going to yield back and I look forward to hearing from our witnesses.

Mr. BERA. Thank you, Ranking Member Yoho.

I will now introduce our witnesses. Our witnesses for today's hearing are Mr. Gregory Poling, Dr. Oriana Skylar Mastro, and Dr. Andrew Erickson. I would like to thank all of our witnesses for being here today.

Mr. Gregory Poling is Senior Fellow for Southeast Asia and Director of the Asia Maritime Transparency Initiative at CSIS. Dr. Oriana Skylar Mastro is an Assistant Professor of Security Studies at the Edmond A. Walsh School of Foreign Service at Georgetown University and a Resident Scholar at the American Enterprise Institute. And Dr. Andrew Erickson is a Professor of Strategy at the U.S. Naval War College's China Maritime Studies Institute.

I will now recognize each witness for 5 minutes and, without objection, your prepared written statements will be made a part of the record. I will first call on Mr. Poling for his testimony.

**STATEMENT OF MR. GREGORY POLING, SENIOR FELLOW FOR SOUTHEAST ASIA, DIRECTOR, ASIA MARITIME TRANSPARENCY INITIATIVE, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES**

Mr. POLING. Chairman Bera, Ranking Member Yoho, and distinguished members of the subcommittee, thank you for the opportunity to appear today.

U.S. policy in the South China Sea has been remarkably consistent for decades and that is because administrations of both parties have recognized that we have the same consistent set of interests here. The first, which is not limited to the South China Sea at all, is defense of freedom of the seas as defined by the international law of the day. Second, the U.S. has been committed to uphold its security commitments to our allies and partners in Southeast Asia without being drawn into the sovereignty disputes over the islands themselves. And the third, the U.S. has been committed to ensure American military access to this important international waterway.

Time and again, U.S. policy has been drawn back to that same set of interests. But unlike the consistency of U.S. policy, Chinese interests and Chinese claims have expanded considerably over the decades. Prior to the 1990's, the South China Sea featured a dispute over islands and then Beijing decided to declare straight baselines in internal waters around the Paracels and, more worryingly, historic rights throughout the entirety of the South China Sea, claiming in some form all waters, all airspace, all seabed, in contravention of international law.

Over the last decade, Beijing has become far more aggressive in pursuing that illegal claim. At the end of 2013, China embarked on an unprecedented campaign of artificial island building and militarization, which today allows China to deploy a 24/7 presence of naval, coast guard, and paramilitary forces throughout every inch of the nine dash line, slowly pushing its neighbors away from their legal rights, out of the waters guaranteed to them by international law.

And if Beijing's current strategy continues, it will undermine or severely diminish all of those U.S. interests that have been defended by subsequent administrations dating back for the better part of a century. First, China will set a precedent that will undermine key components of freedom of the seas and international law including the equality of all nations, big and small.

Second, U.S. partners and allies in the region will rightly begin to wonder what benefit they get from supporting a forward-de-

ployed U.S. presence in the region if it cannot help the defend their interests against an aggressive neighbor.

And third, as a result, the United States will find its ability to operate, not just in the South China Sea but in the region more broadly, severely diminished. This crisis has been a long time coming. And in defense of previous administrations, they did not sit on their hands, they increased capacity building support for regional partners. They stepped up the presence of the U.S. Navy in the region. They strengthened deterrents.

But there is no military solution to the South China Sea dispute. It is not entirely a military problem. What the Pentagon has done is to buy time and continue to buy time. Time for a coalition of international parties led, but not solely including the United States, to bring diplomatic and economic pressure to bear on China, hopefully to bend Beijing toward a compromise that would be equitable and more acceptable to the international community.

Now to do that will take years. But as a start I would suggest three areas that the United States needs to pursue immediately. The first is U.S. officials need to put the South China Sea back on the top of the diplomatic agenda in the way it was in 2016 in the run-up to the Philippines arbitration award which the chairman mentioned.

Now at that point you had the majority of States in Europe as well as a number of States in North America and Asia supporting the ruling when it came out. Almost none of those States continue to do so today and that is because neither Washington nor Manila has been asking them to. This issue must be put, front and center, in the United Nations, in ASEAN meetings, in the G-7, in order for Beijing to bear the kind of reputational cost that would convince it that it cannot be both a global leader and a bully in the South China Sea at the same time.

Second, the United States should treat China's militias, the vanguard of its activities in the South China Sea, the same way it does similar illegal actors in North Korea or Russia. INDOPACOM should undertake the same kind of surveillance operations to publicly name and shame illegal Chinese paramilitaries in the South China Sea that it currently does in the East China Sea and the Yellow Sea to identify North Korea and sanction the violations.

It should also identify the networks of government and business elites in China that support the militia. Target them for sanctions, try to ban them from access to international financial markets the same way the United States treated Russia for its support for paramilitaries in the Ukraine.

And, finally, U.S. officials need to prioritize rebuilding an alliance with the Philippines that is both credible and effective. That does not mean giving the Duterte government a pass on human rights violations, but it does mean recognizing that the alliance is bigger than any one leader. The United States must have rotational forces deployed along the so-called first island chain that rings China, and there is no place south of Japan that that can happen other than the Philippines.

Admiral Davidson has recognized this. The United States might not be able to do that under Duterte, but we must prevent further erosion of the alliance and we must prepare a plan for a post-2022,

post-Duterte Philippines that will allow us to re-engage. That concludes my testimony. Thank you again for the opportunity.  
[The prepared statement of Mr. Poling follows:]



**Statement before the House Foreign Affairs  
Subcommittee on Asia, the Pacific, and Nonproliferation**

***“China’s Maritime Ambitions.”***

A Testimony by:

**Gregory B. Poling**

Director, Asia Maritime Transparency Initiative, and Senior Fellow for  
Southeast Asia, Center for Strategic and International Studies

**June 24, 2020**

**2172 Rayburn House Office Building | Cisco WebEx**

Chairman Bera, Ranking Member Yoho, and distinguished members of the Subcommittee, thank you for the opportunity to appear today. U.S. policy toward the South China Sea has been remarkably consistent for decades. That is because successive administrations from both parties have recognized the same three American national interests at stake. The United States has historically defended freedom of the South China Sea as guaranteed by international law; upheld U.S. security commitments to Southeast Asian allies and partners while remaining neutral on sovereignty disputes; and ensured American military access to this international waterway. Time and again U.S. policy has been drawn to this same list of interests.

Unlike American interests, China's claims and strategy in the South China Sea have shifted radically over the decades. Beijing's demand for historic rights and special prerogatives have expanded greatly since the 1990s. As a result, its claims have grown ever more inconsistent with international law. These excessive demands combined with China's greater ability to project power far from shore are steadily infringing on the rights of its neighbors and of the international community at large.

At the end of 2013, China launched a campaign of artificial island-building and militarization that rapidly accelerated the disputes. As a result, Chinese naval, coast guard, and paramilitary forces are now a constant presence throughout the South China Sea. The pressure they are placing on American partners and allies, and on the law of the sea itself, is becoming unbearable. There are only three potential endgames in these disputes. If nothing changes, the South China Sea will become a Chinese lake, with serious consequences for U.S. national interests. Or Beijing or Washington could severely miscalculate, sparking a violent escalation neither wants. Alternatively, United States could help lead an international campaign to bend China toward compromises that would be acceptable, if unpalatable, to all sides. But time is running out for the latter.

#### **U.S. Interests in the South China Sea**

American support for freedom of the sea is older than the Republic itself. The United States inherited its commitment to international maritime law from the British. Its earliest military engagements—the Barbary Wars against Tripoli and Algiers, and the War of 1812 against Great Britain—were driven in whole or in part by perceived violations of American rights at sea. The United States sent its first naval vessels to the western Pacific in 1835 as part of the East India Squadron to protect U.S. commercial rights. Except for a brief interlude during the Civil War, the U.S. Navy has operated in Asia ever since.<sup>1</sup>

U.S. policy on the South China Sea stretches back more than a century to the earliest days of Sino-French wrangling over the Paracel Islands. Since at least 1915, the United States has refused to take sides in sovereignty disputes over the islands, believing that none of the parties

<sup>1</sup> Hunter Stires, "They Were Playing Chicken"—The U.S. Asiatic Fleet's Gray-Zone Deterrence Campaign against Japan, 1937–40," *Naval War College Review* 72, no. 3 (Summer 2019): 142, <https://digital-commons.usnwc.edu/cgi/viewcontent.cgi?article=8046&context=nwc-review>.

has an airtight claim.<sup>2</sup> The sole exception to this is Scarborough Shoal, which U.S. officials considered to be American territory from at least the 1930s.<sup>3</sup> That reef became part of the Philippines upon its independence and Manila's control over it went largely uncontested until China seized it in 2012. Aside from Scarborough Shoal, neutrality on territorial sovereignty has been the most consistent aspect of U.S. policy in the South China Sea.

After those earliest days, U.S. policy in the South China Sea evolved through a series of crystallizing moments. In 1939, Japan seized the Paracel and Spratly Islands from French control. This was the first time that the United States decried an illegal maritime claim in the South China Sea, informing Tokyo that it rejected the effort to claim all the rocks and reefs of the Spratlys as part of a single island group—a claim which Beijing repeats today.<sup>4</sup> After the war, the United States took no side in the arguments between France, the Republic of China (ROC), and the People's Republic of China (PRC) over who Japan should return the islands to. It similarly took no position in 1956 when the ROC, Philippines, and South Vietnam began jockeying for position in the Spratlys.

The United States' primary concern in the South China Sea remained balancing its neutrality with security commitments to its three allies—the ROC, Philippines, and South Vietnam—all of whom were claiming the Spratlys. The islands were an irritant, but manageable. That all changed in the 1970s. Control of the Paracels had been split between the PRC and South Vietnam since 1956. In 1974, the PRC suddenly invaded the western Paracels and drove the Vietnamese out. The United States was ill-prepared and by the time it knew how to react, it was too late. A year later, Saigon fell and North Vietnamese troops replaced their southern counterparts in both the Paracels and Spratlys. Suddenly the disputes weren't just between bickering U.S. allies.

After 1975, both Washington and Manila worried that the Philippines could face an attack that might require American intervention. The Philippine government began demanding clarification that the U.S. commitment under Article V of their Mutual Defense Treaty covered the South China Sea. It made that clarification a precondition of renegotiating the U.S.-Philippines Military Bases Agreement. The State Department and Ford White House came to an internal understanding that the United States would not necessarily defend Filipino forces on disputed islands but considered the treaty to apply to an unprovoked attack at sea.<sup>5</sup> The Carter administration accepted that consensus and by 1979 Manila grudgingly put the question to rest, for a while.<sup>6</sup>

<sup>2</sup> The 1915 version of the *Asiatic Pilot* published by the U.S. Navy noted that the Paracels had been "annexed by the Chinese government in 1909," meaning that a claim had been made but not accepted as lawful by other parties. See U.S. Navy Hydrographic Office, *Asiatic Pilot* Vol. IV (Washington, DC: Government Printing Office, 1915), 119.

<sup>3</sup> See Secretary of State Cordell Hull, Letter to Secretary of War Harry Woodring concerning Scarborough Shoal, July 27, 1938, quoted in *Bajo de Masinloc: Scarborough Shoal Maps and Documents*, ed. Jay L. Batongbacal and Efren P. Carandang (Taguig City, Philippines: National Mapping and Resource Information Authority, 2014), 59-62.

<sup>4</sup> U.S. Department of State, Office of Intelligence Research, "Islands of the South China Sea," Intelligence Report 7283, August 17, 1956, 3-4.

<sup>5</sup> See Memo from National Security Advisor Brent Scowcroft to President Gerald Ford, No. 4286, "Key Issues in Our Base Negotiations with the Philippines," October 1976.

<sup>6</sup> See Telegram from Ambassador Richard Murphy (Manila) to State Department, No. 461, "Amendment to Military Bases Agreement – Letter from Secretary Vance to Foreign Minister Romulo," January 8, 1979; Telegram from

The next crystallizing moment came in 1988, when China for the first time established six bases in the Spratly Islands. This included Johnson Reef where PRC forces killed dozens of Vietnamese troops in a one-sided battle.<sup>7</sup> The fallout from these developments, combined with Vietnam's rapid rapprochement with its members in the Association of Southeast Asian Nations (ASEAN), led the organization to take up the cause of the South China Sea. In 1992, it issued its first statement on the South China Sea. Two years later, China occupied its seventh reef in the Spratlys, establishing a facility on Mischief Reef near the Philippines. The development spurred greater activism from ASEAN, which launched talks with China on a proposed code of conduct in the South China Sea.

Unfortunately, Beijing was not particularly amenable. China had just formally declared rights to an exclusive economic zone (EEZ) and continental shelf from all islands and reefs in the South China Sea, as well as ill-defined "historic rights." That term exists nowhere in prior Chinese claims, and continues to haunt efforts to resolve the disputes. In practice it meant that Beijing was claiming some kind of jurisdiction over all waters, airspace, and seabed within the "nine-dash line"—a cartographic device that had been used since 1947 to officially denote its claims. This is the point at which the *territorial disputes* over the Spratly and Paracel Islands became *maritime disputes* over the entire South China Sea, and really started to affect the interests of the wider international community. In line with these vast historic rights, Beijing proposed a ban on all third-party military activities and demanded fishing rights in its neighbors' EEZs, in clear contravention of international law.<sup>8</sup> In 1995, this rapid expansion of the disputes led the State Department to declare,

The United States strongly opposes the use or threat of force to resolve competing claims and urges all claimants to exercise restraint and to avoid destabilizing actions...Maintaining freedom of navigation is a fundamental interest of the United States. Unhindered navigation by all ships and aircraft in the South China Sea is essential for the peace and prosperity of the entire Asia-Pacific region, including the United States. The United States takes no position on the legal merits of the competing claims to sovereignty over the various islands, reefs, atolls, and cays in the South China Sea. The United States would, however, view with serious concern any maritime claim or restriction on maritime activity in the South China Sea that was not consistent with international law, including the 1982 United Nations Convention on the Law of the Sea.<sup>9</sup>

A quarter century later, this remains the essence of current U.S. policy in the South China Sea. Washington opposes the use of force, not least because of its alliance with the Philippines,

Ambassador Richard Murphy (Manila) to State Department, No. 2594, "FonMin Romulu on Amendment of MBA," February 6, 1979.

<sup>7</sup> See Shen, "International Law Rules and Historical Evidence," 56; "South China Sea Features," Asia Maritime Transparency Initiative, accessed November 22, 2019, <https://amti.csis.org/scs-features-map/>; Vuving, "South China Sea."

<sup>8</sup> Carlyle A. Thayer, "South China Sea: Background to ASEAN-China Code of Conduct," *Thayer Consultancy Background Brief*, April 26, 2017.

<sup>9</sup> U.S. Department of State, Daily Press Briefing, May 10, 1995, quoted in Michael McDevitt, *The South China Sea: Assessing U.S. Policy and Options for the Future*, CNA Occasional Paper (Arlington, VA: CNA, November 2014), 1, [https://www.cna.org/cna\\_files/pdf/IOP-2014-U-009109.pdf](https://www.cna.org/cna_files/pdf/IOP-2014-U-009109.pdf).

remains neutral on sovereignty, refuses to recognize any claims that are inconsistent with legal freedom of the seas, and is determined to maintain its access to a vital international waterway.

The Chinese seizure of Mischief Reef also triggered a new round of heartburn in Manila regarding the scope of the United States' treaty commitments. In 1998, this led Secretary of Defense William Cohen to clarify again that an attack in the South China Sea (but not necessarily on troops on disputed islands) was covered by the Mutual Defense Treaty.<sup>10</sup> This didn't, however, put an end to Filipino concerns about American credibility. Years later, they resurfaced after China seized control of Scarborough Shoal and President Barack Obama refused to specify that the South China Sea was covered by the Mutual Defense Treaty (after he had assured Japan that its treaty protected the disputed Senkaku Islands). The question wasn't finally put to rest until March of 2019. Secretary of State Mike Pompeo traveled to Manila and assured Philippine officials that any attack on Filipino "armed forces, public vessels or aircraft" anywhere in the South China Sea was covered by Article V.<sup>11</sup>

### **China Upends the Status Quo**

The churn of the 1990s was temporarily calmed in 2002 when China and ASEAN signed the non-binding Declaration on the Conduct of Parties in the South China Sea. But Beijing continued to steadily assert its authority farther and farther south. The calm broke in 2009. Malaysia and Vietnam submitted claims for their extended continental shelves in the South China Sea in May 2009—a deadline set by the parties to the United Nations Convention on the Law of the Sea (UNCLOS), included China.<sup>12</sup> Beijing responded to their submissions by declaring its sovereign rights over the entire South China Sea and, for the first time, formally submitted the nine-dash line to the United Nations as the limits of its claim.<sup>13</sup> This set off a chain reaction of escalations that continues to this day.

In 2010, Vietnam as ASEAN chair elevated the issue to the top of the regional agenda. At the urging of most of the ASEAN members, Secretary of State Hillary Clinton declared at the ASEAN Regional Forum in Hanoi that the United States had a "national interest" in freedom of navigation and peaceful resolution of disputes in the South China Sea in accordance with international law.<sup>14</sup> In 2012, China seized control of Scarborough Shoal from the Philippines despite a botched American attempt to negotiate a mutual withdrawal. This prompted the Philippine government in 2013 to file a landmark arbitration case against China under Article

<sup>10</sup> "DFA Chief Clarifies US Support Under Mutual Defense Treaty," *Philippine Star*, May 10, 2012.

<sup>11</sup> <https://www.philstar.com/headlines/2012/05/10/805080/dfa-chief-clarifies-us-support-under-mutual-defense-treaty>.

<sup>12</sup> Claire Jiao and Nick Wadhams, "We Have Your Back in South China Sea, U.S. Assures Philippines," *Bloomberg*, February 28, 2019, <https://www.bloomberg.com/news/articles/2019-03-01/pompeo-says-u-s-is-committed-to-keeping-south-china-sea-open>.

<sup>13</sup> Malaysia and the Socialist Republic of Vietnam, Joint Submission to the Commission on the Limits of the Continental Shelf: Executive Summary, May 6, 2009, [https://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mys\\_vnm33\\_09/mys\\_vnm2009executivesummary.pdf](https://www.un.org/Depts/los/clcs_new/submissions_files/mys_vnm33_09/mys_vnm2009executivesummary.pdf).

<sup>14</sup> Permanent Mission of the People's Republic of China to the United Nations, Note Verbale CML/17/2009, May 7, 2009, [https://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mys\\_vnm33\\_09/chn\\_2009re\\_mys\\_vnm\\_e.pdf](https://www.un.org/Depts/los/clcs_new/submissions_files/mys_vnm33_09/chn_2009re_mys_vnm_e.pdf); Permanent Mission of the People's Republic of China to the United Nations, Note Verbale CML/18/2009, May 7, 2009, [https://www.un.org/Depts/los/clcs\\_new/submissions\\_files/vnm37\\_09/chn\\_2009re\\_vnm.pdf](https://www.un.org/Depts/los/clcs_new/submissions_files/vnm37_09/chn_2009re_vnm.pdf).

<sup>15</sup> Hillary Clinton, "Remarks at Press Availability," U.S. Department of State, July 23, 2010, <https://2009-2017.state.gov/secretary/20092013clinton/rm/2010/07/145095.htm>.

VII of UNCLOS. And that, in turn, convinced Beijing to launch an unprecedented campaign to dredge the seabed and build artificial island-bases in the Spratlys (as well as expanding the size of many of its holdings in the Paracels).

China finished most of the dredging and island building to expand its South China Sea bases in 2016—the same year that the Philippines won its arbitration case, proving that Beijing’s maritime claims are inconsistent with international law. China built over 3,200 acres of new land in the Spratlys and hundreds more in the Paracel Islands, where the last documented landfill took place in mid-2017.<sup>15</sup> By late 2017, Beijing had largely completed the installation of military infrastructure on the islands. This included airstrips, helipads, hangars, harbor facilities, fuel and ammunition storage, and radar and sensor arrays across both the island groups.<sup>16</sup> For the last two years, there has been little new construction.

Between 2017 and 2018, Beijing moved into the deployment phase of its plan to militarize the South China Sea and project power throughout the nine-dash line. During this period, the first military patrol and transport aircraft landed on its new airbases on Subi and Mischief Reefs in the Spratlys, jamming platforms were deployed to Mischief and Fiery Cross Reefs, and surface-to-air and anti-ship cruise missiles were emplaced at all three of those facilities. China also began more frequently rotating J-11 fighter jets through Woody Island in the Paracels, landed an H-6K bomber on that feature for the first time, and increased the number of anti-ship and anti-air missile systems deployed to it. And throughout the South China Sea, the port facilities at China’s bases allowed an ever-greater presence by the People’s Liberation Army-Navy (PLAN), the China Coast Guard, and the maritime militia.<sup>17</sup>

The latter two forces are the real vanguards of China’s aggression in the South China Sea. Beijing has no interest in fighting a military conflict with the United States or its neighbors if one can be avoided. Its strategy instead rests on use of coercion below the level of military conflict. It seeks to use CCG and militia vessels to intimidate, harass, and occasionally attack its neighbors. CCG vessels now patrol around important reefs off the coasts of Malaysia and the Philippines day in and day out. They show up whenever Southeast Asian states engage in new oil and gas drilling and play a high-stakes game of chicken with civilian supply vessels contracted for such

<sup>15</sup> “China’s Continuing Reclamation in the Paracels,” AMTI, Updated August 9, 2017, <https://amti.csis.org/paracels-beijings-other-buildup/>.

<sup>16</sup> Ibid.; “A Constructive Year for Chinese Base Building,” AMTI, December 14, 2017, <https://amti.csis.org/constructive-year-chinese-building/>.

<sup>17</sup> See Frances G. Mangosing, “China Military Planes Land on PH Reef,” *Philippine Daily Inquirer*, April 18, 2018, <https://globalnation.inquirer.net/165824/china-military-planes-land-ph-reef>; Michael R. Gordon and Jeremy Page, “China Installed Military Jamming Equipment on Spratly Islands, U.S. Says,” *Wall Street Journal*, April 9, 2018, <https://www.wsj.com/articles/china-installed-military-jamming-equipment-on-spratly-islands-u-s-says-1523266320>; Amanda Macias, “China Quietly Installed Missile Systems on Strategic Spratly Islands in Hotly Contested South China Sea,” *CNBC*, May 2, 2018, <https://www.cnbc.com/2018/05/02/china-added-missile-systems-on-spratly-islands-in-south-china-sea.html>; “An Accounting of China’s Deployments to the Spratly Islands,” AMTI, May 9, 2018, <https://amti.csis.org/accounting-chinas-deployments-spratly-islands/>; People’s Daily, China (@PDChina) Twitter account, May 18, 2018, cited in “China Lands First Bomber on South China Sea Island,” AMTI, May 18, 2018, <https://amti.csis.org/china-lands-first-bomber-south-china-sea-island/>; “Exercises Bring New Weapons to the Paracels,” AMTI, May 24, 2018, <https://amti.csis.org/exercises-bring-new-weapons-paracels/>.

work. They also escort flotillas of Chinese fishing ships throughout the South China Sea, including in the waters of Indonesia which is not a party to the territorial disputes over islands.<sup>18</sup>

The maritime militia—not a term of art, but rather a formal component of China’s military as mandated by its Military Service Law—takes part in all of these operations. Hundreds of militia boats, some full-time and some part-time, operate daily in the Spratly Islands. They collect intelligence, intimidate Vietnamese and Filipino vessels, and sometimes engage in outright violence while giving the government in Beijing a degree of deniability should things get out of hand.<sup>19</sup> The goal of these campaigns by both the CCG and the militia is to make it prohibitively risky for Southeast Asian states to engage in the rights to which they are lawfully entitled in the South China Sea. And to do so while keeping the United States and other outside parties sidelines. It is working.

### Policy Options

Beijing has engaged in a years-long campaign to militarize the South China Sea, deprive American partners and allies of their lawful rights, and in so doing paint the United States as a paper tiger. If it succeeds, all three of the national interests that successive administrations have pursued in this waterway will be severely compromised. U.S. partners and allies in the region will rightly wonder what benefit they gain from supporting a forward-deployed U.S. military presence if it cannot help them defend their legal rights. China will set a precedent that will undermine key components of the freedom of the seas and UNCLOS, not least the idea that all states are entitled to the same rights regardless of size or strength. And with reduced military access in partner-nations, the United States will find itself with less and less ability to operate freely within the South China Sea.

<sup>18</sup> See “Signaling Sovereignty: Chinese Patrols at Contested Reefs,” AMTI, September 26, 2019, <https://amti.csis.org/signaling-sovereignty-chinese-patrols-at-contested-reefs/>; Paterno Esmaguil II, “China Chopper Harasses PH Rubber Boat in Ayungin Shoal – Lawmaker,” *Rappler*, Updated May 31, 2018, <https://www.rappler.com/nation/203720-chinese-helicopter-harass-rubber-boat-ayungin-shoal-spratly-islands/>; Patricia Lourdes Viray, “China Coast Guard Blocked Resupply Mission to Ayungin Shoal – DND,” *Philippine Star*, September 19, 2019, <https://www.philstar.com/headlines/2019/09/19/1953204/china-coast-guard-blocked-resupply-mission-ayungin-shoal-dnd/>; China Risks Flare-Up Over Malaysian, Vietnamese Gas Resources,” AMTI, July 16, 2019, <https://amti.csis.org/china-risks-flare-up-over-malaysian-vietnamese-gas-resources/>.

<sup>19</sup> See Gregory B. Poling and Murray Hiebert, “Stop the Bully in the South China Sea,” *Wall Street Journal*, August 28, 2019, <https://www.wsj.com/articles/stop-the-bully-in-the-south-china-sea-11567033378>; Laura Zhou, “As Coastguard Boats Circle, Vietnam Prepares for Bigger Challenge in South China Sea,” *South China Morning Post*, October 12, 2019, <https://www.scmp.com/news/china/diplomacy/article/3032536/coastguard-boats-circle-vietnam-prepares-bigger-challenge>; Nguyen Hong Thao and Ton Nu Thanh Binh, “Maritime Militias in the South China Sea,” Maritime Awareness Project, June 13, 2019, <http://maritimeawarenessproject.org/2019/06/13/maritime-militias-in-the-south-china-sea/>; Project, June 13, 2019, <http://maritimeawarenessproject.org/2019/06/13/maritime-militias-in-the-south-china-sea/>.

<sup>20</sup> Conor M. Kennedy and Andrew S. Erickson, “From Frontier to Frontline: Tanmen Maritime Militia’s Leading Role Part 2,” Center for International Maritime Security, May 17, 2016, <http://cimscc.org/frontier-frontline-tanmen-maritime-militias-leading-role-pt-2/25260/>; Gregory B. Poling, “Illuminating the South China Sea’s Dark Fishing Fleets,” CSIS Stephenson Ocean Security Project, January 9, 2019, <https://ocean.csis.org/spotlights/illuminating-the-south-china-seas-dark-fishing-fleets/>; Under Pressure: Philippine Construction Provokes a Paramilitary Response,” AMTI, February 6, 2019, <https://amti.csis.org/under-pressure-philippine-construction-paramilitary-response/>.

This crisis has been a long time coming. And in fairness, prior administrations did not sit on their hands. The Obama Administration provided valuable diplomatic support to ASEAN and the Philippines in particular, stepped up military capacity building for Southeast Asian claimants, increased the visibility of U.S. naval operations in the South China Sea, and deterred China from taking more aggressive action. Under the Trump Administration, capacity building and naval operations increased further, but the diplomatic effort dropped away for at least two years. The Pentagon and INDOPACOM were left to run America's South China Sea policy. But they cannot by themselves counter a Chinese strategy that purposely avoids military confrontation. The State Department is now growing more active in its messaging, but it has had little success rallying international support. Partially this is the fault of the Philippines, whose government has refused to advocate on its own behalf under President Rodrigo Duterte. But it is also the fault of the United States for devaluing international cooperation and paying too little attention to Asia beyond North Korean issues and trade disputes with China.

The only way the United States can secure its interests and those of its partners in the South China Sea is through a sustained campaign of diplomatic and economic pressure, backed up by military deterrence, that will alter Beijing's calculus. If China's leadership sees that its activities in the South China Sea undermine its larger interests in being a global leader, they will be more likely to accept compromise with Southeast Asian states. But that pressure cannot come from the United States alone—it must include a coalition of like-minded partners from Asia, Europe, and beyond. The effort to bend China toward a more acceptable policy and secure U.S. interests in the South China Sea will take years. To start, the United States should step up in three areas.

1. U.S. officials need to put the South China Sea back on the top of the international agenda. In 2016, over 50 countries had gone on record saying they would demand China comply with the arbitral ruling in the Philippines' case. But since the ruling was handed down, fewer than 10 have actually done so. That is partially Manila's fault, but Washington shares some of the blame. U.S. officials stopped putting the South China Sea at the top of their talking points, even in ASEAN forums. The issue also disappeared from the top line of Group of Seven discussions, where it previously received strong support, and has not been mentioned prominently in any UN settings. The United States needs to help Southeast Asian parties, especially Vietnam, which has become the most vocal in defense of its rights, raise the profile of the South China Sea. The silence from Europe has been particularly deafening since 2016. Only the United Kingdom has publicly backed the 2016 arbitral award, and only grudgingly. The United States should put much greater diplomatic pressure on European states who had previously stood up for Southeast Asian claimants to do so again.
2. The United States should launch an interagency effort to name and shame illegal Chinese paramilitaries in the South China Sea and explore financial sanctions against their beneficiaries. The militia is the most numerous, and arguably the most effective, of China's weapons in its South China Sea campaign. Without their anonymity and deniability, they would lose much of their value to Beijing. INDOPACOM should undertake the same kind of surveillance operation against these actors that it has conducted in the East China Sea and Yellow Sea to unmask vessels violating sanctions against North Korea. And like that operation, this one could include an array of partners

like Australia and the United Kingdom. This should be just a first step. The militia is supported by a well-connected web of business and government elites within China. Those networks should be traced and the beneficiaries excluded from international financial networks and otherwise sanctioned for their violations of international law. The United States should at the very least treat those who support the Chinese militia the same as it has those who support Russia's militia in eastern Ukraine.

3. U.S. officials at the highest levels need to prioritize rebuilding a credible and effective alliance with the Philippines. That does not mean giving human rights abuses a pass. But the alliance must not be allowed to atrophy from neglect. The United States needs the ability to quickly and effectively respond to crises in the South China Sea and deter Chinese aggression at the lower rungs of the escalation ladder (where China is currently dominant). The United States cannot currently do that. The closest U.S. ground-based aircraft or firebases are over 1,300 nautical miles from the Spratly Islands. Admiral Philip Davidson has recognized this mismatch, which is why he has requested support for shifting more mobile, adaptable U.S. assets to rotational deployments along the "first island-chain" around China. The proposed Pacific Deterrence Initiative would have a similar goal. But there is only one place along the first island-chain south of Japan that it is at all feasible to rotate U.S. forces—the Philippines. The 2014 Enhanced Defense Cooperation Agreement (EDCA) was negotiated to allow such U.S. rotations through Philippine bases. President Duterte's ascendance put most of those plans on hold. His more recent efforts to abrogate the Visiting Forces Agreement would strike a further blow to U.S. force posture in the region. It may not be possible to gain the rotational access needed while Duterte is in office through 2022. But the U.S.-Philippines alliance is more important than any single leader. Senior U.S. officials should make every effort to prevent further deterioration in the alliance while planning an engagement strategy to fully implement EDCA in a post-Duterte Philippines.

Mr. BERA. Thank you.  
I will now call on Dr. Mastro.

**STATEMENT OF DR. ORIANA SKYLAR MASTRO, RESIDENT SCHOLAR, AMERICAN ENTERPRISE INSTITUTE, ASSISTANT PROFESSOR OF SECURITY STUDIES, GEORGETOWN UNIVERSITY**

Dr. MASTRO. Chairman Bera, Ranking Member Yoho, members of the subcommittee, thank you for the opportunity to share my views on China's maritime ambitions today. China wants to become a maritime great power. This is a term that Chinese President Xi Jinping uses as part of his national rejuvenation rhetoric. And to this end, China wants to build a blue-water navy that can control its near seas, fight and win regional wars, and protect its vital sea lanes and its many political and economic interests beyond East Asia.

In this testimony I am going to cover China's approach to the near seas, and so this is the South China Sea and East China Sea in particular, and touch upon its intentions in the Indian Ocean. China's ambitions in the near seas pose the greatest threat to the interests and security of the United States and its allies. China considers the East China Sea and the majority of the South China Sea to be a part of its territory.

China does not accept or respect Japan's sovereignty claims in the former case, or Brunei, Indonesia, Malaysia, the Philippines, Taiwan, or Vietnamese claims in the latter case. In China's ideal world, Beijing would enjoy sovereignty, which means absolute control and a monopoly over the use of force in these waters, and this would entail the exclusion of the United States military from these waters.

In the short term, China realizes that these goals are unrealistic, and so I think it is best to characterize their current ambitions as establishing sovereignty over the disputed islands and gaining the power to dictate the rules and regulate all activities in the surrounding waters. This means that countries would have to obtain Chinese permission to operate there.

Chinese maritime ambitions in the East China Sea and South China Sea are detrimental to U.S. and allied interests mostly because of these ultimate objectives of control. China has rarely relied on use of force directly from military coercion to achieve its goals, instead it prefers to employ positive inducements and non-military tools like economic, legal, or political tools as well as gray-zone activities, which are activities that allow a country to stay below the threshold of overt military action to secure gains without provoking a military response. In other words, even if we convinced China to change their behavior in how they are pursuing their ambitions, this is still a threat because of the ultimate nature of what they are trying to achieve.

In the Indian Ocean, China has different ambitions. Under Xi Jinping, their maritime ambitions have extended beyond the near seas. For the first time, in 2019, the Defense White Paper called for the transformation of the Chinese navy from a near seas defense navy to a far seas protection navy. And China also designated

maritime interests as the same level of importance as territorial integrity.

I think China currently aims to be able to operate in the Indian Ocean and beyond, but it does not aspire to prevent others from doing so as it does in the near seas. In these waters, China's ambitions are currently driven primarily by the desire to protect strategic lines of communication and its economic and political interests. For example, just last year, more than 166 million Chinese ventured abroad for tourism.

We also know that 80 percent of China's oil passes through the Malacca Strait, and with One Belt, One Road China has more and more commercial and economic interests to protect. China is more flexible in the Indian Ocean because it is not engaged in territorial disputes there. They do not have specific adversaries that they are in constant campaigns against, so they are a bit more flexible than they are in the near seas.

But this does not mean that their presence in the Indian Ocean is not without its challenges or risks. Because they are increasingly focused on far seas protection, they are outfitting their fleet with longer-range air defenses, aircraft carriers, and larger ships that allow greater endurance away from home ports. This creates a latent capability that could be used in the future to coerce smaller countries.

China could also use its greater access to collect intelligence on the United States that could support operations and regional contingencies like Taiwan. In the future, they might also be able to develop the ability to meaningfully hold at risk U.S. assets in these waters in the event of a wider conflict.

But currently one of the biggest issues is how they are trying to gain influence and access because they will need ports for logistical support and resupply and maintenance throughout the Indian Ocean region. And as was already mentioned, China's attempt to gain such access are undermining stability, democratic norms, and sound economic development as they rely a lot on bribery and debt-trap diplomacy.

In my testimony I come to main conclusions, therefore. The first is that China's ambitions in the South China Sea and East China Sea are different than they are in the Indian Ocean and beyond. For the near seas it is mainly about sovereignty and regional hegemony. In the far seas, China is concerned with protecting the sources of the Party's domestic legitimacy like economic growth, protection of Chinese nationals, and guarding against external pressure.

Two, China's ambitions in the East China Sea and South China Sea are detrimental to U.S. interests even if its methods are mainly problematic because they are effective and difficult to counter. In contrast, in the Indian Ocean and beyond, there are aspects of China's current objectives that are legitimate that do not necessarily threaten U.S. interests but its methods are currently undermining democratic principles and sustainable growth and there is a risk that China could change its strategy to disrupt freedom of navigation as its capabilities evolve.

While China's maritime ambitions are problematic in both the near and the far seas, U.S. policy needs to consider these dif-

ferences in both the degree of threat and risk. First, we need to prioritize countering Chinese ambitions in the South China Sea and East China Sea and this includes taking a hardline, risk-acceptant approach to countering China in the near seas.

But we need to devise more of a hedging strategy in the Indian Ocean, and this could include elements of cooperation with China to address nontraditional security threats while also preparing to respond strongly in case their ambitions there do evolve and change and they start employing their newfound capabilities for coercive purposes. In my written testimony I lay out more specifics about how we can pursue both policies in the near seas and the far seas. Either way, success will require bipartisan consensus and an agreement that maintaining a free and open Indo-Pacific is genuinely critical to U.S. interests.

The United States has made some progress in this area, but given the extent of Chinese maritime ambitions, it is not yet enough. Thank you for the opportunity to testify today.

[The prepared statement of Dr. Mastro follows:]



Statement before the House Foreign Affairs Committee  
Subcommittee on Asia, the Pacific, and Non-Proliferation  
On Chinese Maritime Ambitions

## **China's Maritime Ambitions**

Implications for U.S. Regional Interests

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Chairman Bera, Ranking Member Yoho, members of the subcommittee: thank you for the opportunity to share my views on China's maritime ambitions.

China wants to become a 'maritime great power,' a term Chinese President Xi Jinping uses as part of his national revitalization rhetoric.<sup>1</sup> To this end, China is building a blue-water navy that can control its near seas, fight and win regional wars, and protect its vital sea lanes and its many political and economic interests beyond East Asia. But whether in the near or far seas, China's ambitions engage U.S. interests.

Therefore, in this testimony, I will focus on China's approach to the near seas—the South China Sea (SCS) and the East China Sea (ECS)—and touch upon its intentions in the Indian Ocean. But first, I would like to lay out a few thoughts about how to conceptualize ambition more generally. This may seem academic, but I believe a rigorous framework is crucial for understanding the nuances of China's ambitions and devising effective U.S. strategic responses.

Using this framework, I come to two main conclusions: 1) China's ambitions are different in the SCS and ECS than in the Indian Ocean and beyond. For the near seas, China is concerned with sovereignty and regional hegemony; for the far seas, it is concerned with protecting the sources of Chinese Communist Party (CCP) domestic legitimacy such as economic growth, guarding against external political pressure, and protection Chinese nationals. But all of its ambitions are about competition with the United States. 2) China's objectives in the SCS and ECS are detrimental to U.S. interests, but its methods are problematic mainly because they are effective and difficult to counter. In contrast, in the Indian Ocean and beyond, there are aspects of China's current objectives that are legitimate and do not necessarily threaten U.S. interests. But its methods are undermining democratic principles and sustainable growth. Moreover, there is the risk that China could change its strategy to disrupt freedom of navigation as its capabilities evolve.

#### *A framework for understanding China's intentions*

To understand which aspects of China's maritime ambitions are problematic for the United States, it is useful to think about processes and objectives separately. For the process, what are China's preferred methods for achieving its maritime goals? Objectives refer to "what one wants to bring about, accomplish or attain."<sup>2</sup> To foreshadow the discussion that follows, sometimes the challenge is not what China wants, but how it is trying to obtain it; sometimes, the main issue is China's ultimate goal regardless of the national toolkit it uses to achieve that goal.

To assess what China is trying to achieve in the maritime domain and how it plans to do so, I look at national discourse, China's military capabilities, and its behavior. Because states deliberately implement plans to pursue specific objectives, it is theoretically possible to decipher current ambitions. Current ambitions refer to what the leadership has already decided it wants to achieve in the future – this is the focus of my testimony. This is not to say we should not care about future ambitions, but given limited resources, the United States needs to address China's current ambitions first and foremost. Moreover, knowing China's current ambitions provides insight into future ambitions as well. First, current intentions may be the same as future intentions; bureaucratic and political inertia makes continuity the norm.

Moreover, rising powers have likely taken into account projections of future power when devising current ambitions. If China does change its maritime ambitions, the direction and nature will reflect the aspects of the current intentions that have produced results, any negative consequences, and any socially and politically viable replacement ideas for intentions that have not produced results.<sup>3</sup>

Lastly, we can shape China's ambitions. Those who say we cannot tend to focus on past efforts to change China's conception of its interests, mainly through positive inducement and the power of persuasion. I agree that this strategy is likely to fail. However, the United States has shaped China's goals and the ways it achieves them through the power of deterrence; the Chinese military considers the U.S. military response first and foremost. This is why Beijing has yet to attempt to reunify with Taiwan by force. This success shows that ambition is not entirely separate from opportunity or costs. Unsurprisingly, China is more aggressive against weaker countries, hence its recent skirmish with India and its harassment of Vietnamese and Malaysian vessels in the South China Sea. But China may pursue a policy because it is relatively costless, which means that if the United States imposes costs, Beijing may change its mind about the extent of its objectives.

#### *The Near Seas: The East China Sea and the South China Sea*

China's ambitions in its near seas pose the greatest threat to the interests and security of the United States and its allies. China considers the ECS and the majority of the SCS to be an inalienable part of its territory. China does not accept or respect Japan's sovereignty claims in the former case, or Brunei, Indonesia, Malaysia, the Philippines, Taiwan, or Vietnam in the latter. In China's ideal world, Beijing would enjoy sovereignty, meaning absolute control and monopoly over the use of force, in these waters. This would entail the exclusion of the U.S. military from the first island chain, which might involve the abrogation of our treaties and obligations to Japan, the Philippines, and Taiwan since we would no longer be able to defend them.

But in the short term, China realizes that these goals are unrealistic. Its current ambitions are best understood as establishing sovereignty over the disputed islands (Senkaku/Diaoyu in the ECS; Paracels and Spratlys in the SCS) and gaining the power to dictate the rules and regulate all activities in the surrounding waters, meaning that countries would have to obtain Chinese permission to operate there.<sup>4</sup> In other words, the issue is not the sovereignty of the islands, but China's position on the maritime rights such sovereignty would confer in the surrounding waters.

The first step in the East China Sea case is for China to coerce Japan into acknowledging the existence of a dispute and undermine Japan's unilateral administration of the islands recognized by the United States.<sup>5</sup> China believes control of the East China Sea to be paramount for several reasons; the waters are rich in oil and fishing resources, the sea serves as China's entrance into the Pacific Ocean and the frontline of China's national defense, and Beijing believes that acceding to Japan would embolden Tokyo and the U.S.<sup>6</sup>

While there has been a lull in aggressive Chinese activities in the East China Sea since 2016, an uptick in PLA exercises in the area indicates that the stability of the peacetime competition between China and Japan may be coming to an end.<sup>7</sup> On June 18, 2020, China set a new record

for the number of consecutive days (66) its government vessels had been spotted in waters near the Senkaku Islands in the East China Sea.<sup>8</sup> Additionally, on June 22, the Ishigaki City Council in Okinawa Prefecture voted in favor of legislation that changes the name of the Senkaku/Diaoyu Islands in the East China Sea for administrative purposes from “Tonoshiro” to “Tonoshiro Senkaku” in order to avoid confusion with another region governed by Ishigaki.<sup>9</sup> The decision elicited sharp criticism from China, which characterized the legislation as a flagrant provocation and an attempt to change the status quo.<sup>10</sup> From the U.S. perspective, Japanese claims over the Senkakus are less worrisome because Tokyo does not believe its potential sovereignty over the islands implies exclusive Japanese control over the whole ECS.

China hopes to enjoy military dominance in these waters first and foremost to ensure that it would prevail in any conflict across the Taiwan Strait and to ensure that it would prevail against Japan even if the United States intervened. This is an essential consideration since territorial disputes are the primary cause of interstate conflict (approximately 80% of wars from 1648 to 1990 were fought over territorial-related disputes).<sup>11</sup> Chinese aggression toward Taiwan has increased since Xi Jinping’s 2020 New Year’s Day speech in which he called for concrete progress towards reunification. Recently, the Chinese media described the USS *Russell*’s passage through the Taiwan Strait in early June as “an attempt to provoke the Chinese mainland.”<sup>12</sup> Several days later, PLA fighter jets followed the flight of a U.S. transport plane over Taiwan, crossing the median line in the Taiwan Strait. The PLA also held several military exercises this spring, including live-fire and landing drills believed to be a warning to Taiwan.<sup>13</sup> But in the near term, the most pressing danger regarding China’s naval modernization is not full-scale war, but rather China’s ability to coerce its opponents in its favor.<sup>14</sup>

Tensions in the South China Sea have also increased in recent months with China’s establishment in April of two new administrative districts that supposedly have authority over disputed islands in the South China Sea.<sup>15</sup> In April, a Chinese maritime surveillance vessel sank a Vietnamese fishing vessel near the Paracel Islands, indicating China’s willingness to use force to defend its territorial claims.<sup>16</sup> But the threat to U.S. interests goes beyond China’s actions against countries in the region, including the U.S. ally, the Philippines. China’s claim to exclusive control over the waters of SCS and the military installations on the islands pose a direct military threat to the United States.

China’s maritime ambitions in the East China Sea and the South China Sea are detrimental to U.S. and allied interests, mostly because of China’s ultimate objectives of control and dominance. But China has rarely relied on military coercion to achieve its goals; instead, Beijing prefers to employ positive inducements, nonmilitary tools (economic, legal, political), and gray-zone activities.

In one of the best-known cases, Chinese economic coercion was employed against Japan after a Chinese ship collided with two Japanese coast guard vessels during a regular fishing trip near the disputed Senkaku Islands, and the Japanese coast guard arrested the Chinese fishing trawler. In response, China halted the export of rare earth minerals (at the time China produced 93% of the world’s rare earth minerals), which were needed for Japanese products like hybrid cars, wind turbines, and guided missiles.<sup>17</sup> China also employed a “diplomatic effort to coerce and ostracize Tokyo, including a unilateral freeze on high-level bilateral diplomacy with Japan for over two

years and a global campaign to present Japan as a revisionist power.”<sup>18</sup>

Though the Association of Southeast Asian Nations (ASEAN) is undoubtedly trying to create a single community with a unanimous policy response vis-à-vis China, Beijing's strong economic presence drives its member states apart. While Vietnam stands as the most adamant challenger of China's claim in the South China Sea, Thailand and Malaysia have adopted a "play-it-safe" approach. The Philippines has shown a greater affinity for China under the leadership of President Duterte. Countries like Cambodia, China's closest partner within ASEAN, have sided with China in territorial disputes in exchange for loans and aid from Beijing.<sup>19</sup> China frequently uses promises of economic assistance—often in the form of infrastructure investment through its Belt and Road Initiative—to shape countries' behavior. Recipient countries are effectively prevented from publicly opposing Chinese actions, as they risk losing their loans.<sup>20</sup>

In the South China Sea, China has also been negotiating a code of conduct (COC) with ASEAN members for over two decades to manage the South China Sea disputes.<sup>21</sup> Since 2016, a new round of discussion on a potential COC has gained momentum, and China has expressed a new enthusiasm for reaching an agreement with ASEAN states.<sup>22</sup> However, Beijing's change in its attitude does not reflect a recalibration of its goals and interests, as China will not yield its claim to the entirety of the South China Sea. Whereas the ASEAN states hope that the COC will serve as a binding mechanism for dispute resolution, China sees it as a non-binding instrument to build regional trust.<sup>23</sup>

China also tries to shape the narrative about its maritime ambitions, claiming they are purely defensive. China is looking to secure its energy supplies—80% of its crude oil and one-third of global shipping<sup>24</sup> (which comprises the majority of China's trade flows) routes through the South China Sea.<sup>25</sup> Also, many of the assets deployed to China's artificial islands—such as advanced sensors and air defense systems—are defensive in orientation. In 2018, China added anti-ship cruise missiles and surface-to-air missile systems to Fiery Cross Reef, Subi Reef, and Mischief Reef near the Spratlys but insisted the move was defensive: “Those who do not intend to be aggressive have no need to be worried or scared,” claimed ministry spokeswoman Hua Chunying when commenting on the installation.<sup>26</sup>

These 'defensive' motivations are still highly problematic for three reasons. First, the South China Sea is not China's to defend. Second, China's claim that it is not expanding to gain this territory but instead fighting not to lose it is dangerous because it encourages risk-acceptant behavior.<sup>27</sup> Third, China wants foreign powers out of the first island chain to create a defensive buffer. If China is successful, the United States will have difficulty conducting anti-surface, anti-submarine, and anti-air operations against China during a conflict. China wants to undermine U.S. deterrence against it to use force against Taiwan, for example, at a lower cost with a higher probability of success. In other words, China wants to minimize other countries' abilities, especially the United States, to counter Chinese aggression in the region.

China also uses gray-zone tactics, which are activities that allow a country to stay below the threshold of overt military action to secure gains without provoking military responses by others. China relies mainly on its Coast Guard and maritime militia to advance its aims because they are effective, low-cost, and less likely to prompt a strong response.<sup>28</sup> The construction of artificial

islands at Mischief, Fiery Cross, and Subi Reef's have provided China with increased territory in the South China Sea and created a platform on which to base missiles and surveillance technologies without sparking a strong U.S. reaction.

Lastly, China attempts to create the guise of legitimacy for its maritime ambitions through the manipulation and misapplication of international law. For example, in the East China Sea, China established an air defense identification zone (ADIZ) in 2013, the boundaries of which overlap with existing ADIZs belonging to Japan, South Korea, and Taiwan.<sup>29</sup> Similarly, Beijing may be planning to establish a South China Sea ADIZ, which sources claim would include several disputed islands.<sup>30</sup> Below is a summary of China's abuse of international law through which China claims approximately 80% of the South China Sea as its territory.

Table #1: Chinese Lawfare in the South China Sea

China	International Law, Norms
Waters between islands and features internal waters; commercial transit requires PRC permission (claimed explicitly for Paracels)	Only very few island nations considered archipelagos have right to treat islands as a group; does not apply to disputed SCS islands
Territorial sea of 12 N.M. measured from outer perimeter of island groups; artificial islands, most features get a territorial sea	Territorial sea measured from each island; most PRC-claimed features do not meet standard for any rights under int'l law
Can regulate military activity within EEZ	Can only regulate economic activity there
Claims rights to "Historic Waters" within nine-dash line	"Historic waters" meaning unclear but has no legal basis, confers no rights

#### *The Far Seas: The Indian Ocean and beyond*

While China prioritizes achieving sovereignty in the SCS and ECS, under Xi Jinping, its maritime ambitions have extended beyond the immediate region. For the first time, the 2019 defense white paper called for transforming the Chinese navy from a near seas defense navy (近海防御型) to a far seas protection navy (远海防卫型), designated maritime interests as important as territorial integrity, and it highlighted maritime territorial disputes and cross-Strait tension as the most significant challenges to China's sovereignty.<sup>31</sup>

Currently, China aims to operate in the Indian Ocean and beyond, but it does not aspire to prevent others from doing so as it does in the near seas. In these waters, China's ambitions are driven primarily by the desire to protect its strategic lines of communication and its economic and political interests.<sup>32</sup> In 2010, over fourteen thousand Chinese firms were operating overseas.<sup>33</sup> In 2016, more than two million Chinese nationals worked overseas<sup>34</sup> and in 2019 alone, more than 166 million Chinese nationals ventured abroad for tourism. With the advent of Xi's signature strategy of "One Belt, One Road," Chinese maritime ambitions extended to the

Mediterranean as part of its component Maritime Silk Road.<sup>35</sup> Additionally, roughly 80% of China's oil imports passed through the Strait of Malacca.<sup>36</sup> Chinese leaders believe that the United States may seek to cut off their access to the Strait as a coercive measure, especially during a conflict.<sup>37</sup> China has tried to resolve the dilemma in several ways, including with the China-Myanmar pipeline, building the Kra Canal, which would circumvent the Strait of Malacca and by developing the naval capabilities necessary to protect its maritime trade routes.

While Chinese ambitions and capabilities are more limited in the far seas, they are not without risks and challenges. Because of this increased focus on 'far seas protection,' China is outfitting its fleet with longer-range air defenses, aircraft carriers, and larger ships that allow greater endurance away from home ports.<sup>38</sup> This creates a need for access to ports for logistical support like resupply and maintenance throughout the Indian Ocean Region, including along the east coast of Africa.<sup>39</sup> Experts currently point to Myanmar, Pakistan, Sri Lanka, Israel, and Cambodia as host nations for future Chinese bases (China has presently one overseas base in Djibouti).

China's attempts to gain such access are undermining stability, democratic norms, and sound economic development. Many of the countries involved in the Maritime Silk Road have high levels of corruption and low levels of democracy. Although China implemented an anti-foreign bribery law in 2011, it has shown minimal interest in enforcing compliance by its companies operating overseas.<sup>40</sup> This attitude increases local corruption and has led to negative perceptions and even political backlash among recipient country populations.<sup>41</sup> Most of China's investments in the BRI involve loans rather than grants, and many of the countries receiving these loans lack the technical capacity to assess their repayment ability. Beijing's willingness to ignore debt sustainability standards, which generally serve as guardrails for investors and recipient countries, exacerbates this problem.<sup>42</sup> In one example, Sri Lanka leased Hambantota port to Beijing for 99 years to repay China for an over \$1 billion loan for the port's development; China now holds over 70% of Djibouti's gross domestic product in debt.<sup>43</sup>

Second, there are evolving aspects of China's activities in the Indian Ocean against which the United States needs to protect. China could use its greater access to the region to collect intelligence on the United States to support operations in regional contingencies like Taiwan, and to develop the ability to meaningfully hold at risk U.S. assets in these waters in the event of a wider conflict.<sup>44</sup> Also, while China does not want to restrict other countries' peacetime access to the Indian Ocean, it may start relying more heavily on coercion to achieve its objectives in this region, including military pressure, especially against India, with which China has a land dispute.

But unlike the near seas, the United States enjoys a decisive military advantage over China in the far seas, which currently deters Chinese aggression against U.S. partners and allies in this area of operations. Additionally, China's ambition is more limited and flexible in the Indian Ocean. As Indo-Pacific security expert Arzan Tarapore argues, China's military presence in the Indian Ocean region poses strategic risks rather than the acute strategic threat that they represent in China's near seas:

In the Indian Ocean, where China is not engaged in territorial disputes, its posture and behavior may pose more amorphous dangers, emerging and receding aperiodically, with varying severity. There are no clear and constant targets of Chinese aggression, and no

sustained Chinese campaign against a designated adversary, but a range of actors with a range of interests that are vulnerable, and perhaps only incidentally, to Chinese action.<sup>45</sup>

#### *Implications for U.S. Policy*

China's desire to exercise absolute control over the SCS and ECS to exclude other countries threatens freedom of navigation and deterrence. It could also cause a major war if other countries do not acquiesce to China's position. In contrast, China's maritime ambitions in the Indian Ocean and beyond are more limited: it wants to be able to routinely operate in these waters, effectively respond to non-traditional security threats in peacetime, and protect its trade and energy routes against a blockade. The main missions China is currently planning for in the Indian Ocean region include non-combatant evacuation operations, humanitarian relief operations, counterblockade, and potentially coercive diplomacy campaigns, though on a limited scale.

While China's maritime ambitions are problematic in both the near and far seas, U.S. policy needs to consider these differences in the degree of threat and risk. Specifically, Washington needs to 1) prioritize countering Chinese ambitions in the South China Sea and the East China Sea and 2) take a hardline risk-acceptant approach to countering China in the near seas, but 3) devise a hedging strategy in the Indian Ocean. This would include cooperation with China in the Indian Ocean to address non-traditional security threats while also preparing to respond strongly if China's ambitions there change, or China begins to employ its newfound far seas capabilities for coercive purposes routinely.

There is more flexibility in China's Indian Ocean strategy because sovereignty is not at stake. If the United States hopes to encourage Beijing to pursue its interests in a way that supports regional stability and sustainable development, Washington needs to articulate the appropriate and acceptable means of doing so clearly. In 2016, I outlined four ways Beijing could use its expeditionary capabilities to protect its interests, depending on the degree to which China is directly targeted and the international community's receptivity to a more significant Chinese role. The best outcome for the U.S. is a China that acts as a team player and contributes to multilateral operations even when its interests are peripherally threatened. When Chinese interests abroad are targeted, and the U.S. does not have interests at stake, Washington should still try to shape China's actions to minimize the potential fallout from Chinese operations.<sup>46</sup> For now, China's goals in the Indian Ocean do not diverge widely from those of the United States, which creates a rare opportunity for consultation and collaboration between the two capitals.

China's maritime ambitions in the far seas could evolve in troubling ways. The United States should remain vigilant and agile so that we can change our strategic approach if necessary. But given limited resources, U.S. military dominance beyond the first island chain, and the more significant threat Chinese near seas ambitions pose, the United States should prioritize countering China in the SCS and ECS. This requires a principled hardline response. The United States needs to maintain its ability to operate in these waters to deter Chinese aggression and maintain regional peace and stability. Therefore, undermining Chinese maritime ambitions in these waters needs to be a top priority. The United States could expand and increase the tempo of its military operations in the South China Sea. U.S. military operations should extend beyond FONOPs to include escorting fishing vessels and oil exploration platforms for allies and partners

when assistance is requested, potentially even specifying that U.S. alliance commitments extend to EEZ protection.

To increase the costs associated with gray-zone activities, the U.S. president could also state in a major policy speech that the activation of mutual defense obligations could be triggered by any event threatening the safety of Philippine forces, aircraft, or public vessels in the South China Sea. To further increase costs to China, the United States could warn Beijing that it may reconsider its neutral position on the sovereignty of the SCS and ECS disputed islands to support claimants with less expansive and restrictive EEZ claims. In the meantime, the United States should respond immediately to each aggressive act China takes in these waters, *regardless of its target*. The Chinese assets or organizations involved should not determine the response; instead, the United States should respond to the Chinese coast guard and maritime militia vessels in the same way it would to a Chinese navy ship. Moreover, the United States should be sure to respond even when a treaty ally is not involved—this would stress that the United States is serious about protecting international norms, regardless of who the transgressors are and what the violation is. While the United States does not take a position on the sovereignty of the Paracels, Spratlys or Senkaku/Diaoyu Islands, Washington is clearly against China's position that such sovereignty grants them rights of control to most of the South China Sea and the East China Sea, a position none of the other claimants share.

To reconstitute our deterrent, the United States should seek military access to new partner facilities in the South China Sea. Countries in the region would face political difficulties if they granted access to the U.S. military, but a crisis or conflict could make it more feasible. It would be beneficial for the United States to reach agreements with claimants that allow U.S. forces to visit or rotate through strategic islands in the South China Sea. The United States should also improve the quality of other claimants' maritime reconnaissance and surveillance capabilities and build their defensive capabilities.

Lastly, the United States should spearhead and prioritize a diplomatic solution to the South China Sea disputes, with or without China. Countries in the region disagree with China's interpretation of international law (see Table 1). If the rest of the claimants agree about the islands' sovereignty and the rights granted by those islands and ask the international community to help enforce the agreement, China will have difficulty pushing its claims and pressuring states unilaterally to concede to its demands. If Beijing refuses to follow these rules, Washington should form a coalition to restrict China's access to technology and related information broadly. Washington should even threaten to expel Beijing from the relevant international regimes.

The most effective U.S. strategy should combine diplomatic initiatives with a robust deterrent posture in the region. For any of these initiatives to succeed, however, the United States will need a lasting strategy to deter China's aggression, respond if a confrontation does occur, and, if necessary, defeat China in a military conflict. Success will require bipartisan consensus and an agreement that maintaining a free and open Indo-Pacific is genuinely critical to U.S. national interests. The United States has made some progress in this regard, but given the extent of China's maritime ambitions, it is not yet enough.

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Mr. BERA. Thank you for your testimony.  
And, finally, Dr. Erickson.

**STATEMENT OF DR. ANDREW ERICKSON, PROFESSOR OF  
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Dr. ERICKSON. Yes. Thank you, Chairman Bera, Ranking Member Yoho, members of the subcommittee. I appreciate this opportunity to share my personal analysis and recommendations.

Greg and Oriana have done a great job addressing a number of important issues. My written statement contains additional specifics and recommendations. Rather than duplicating their efforts, let me underscore several larger themes and key dynamics that I think can help inform our discussion today as well as the way forward.

China under Xi Jinping has what, to me, is clearly the most assertive and ambitious national strategy of any great power today. This includes the unification of claimed territory and commanding respect and deference at home and abroad. A major problem with this forceful and ambitious approach is that these goals run roughshod over the rights and well-being of millions as well as the freedom of non-Chinese societies. They have great potential to jeopardize the peace of China's region and also the rules and functions of the international system on which all of us depend.

Today in many ways, Hong Kong is ground zero of this struggle. There are additional tensions and challenges in the near seas as my colleagues on the panel described. However, even worse, if the United States and its allies and partners do not counter China's coercive envelopment of formerly free peoples and places, there will be much worse to come.

This coercive envelopment has a strong geographic pattern to it. Since the Chinese Communist Party took Beijing in 1949, it systematically extended a cordon of control and coercion in concentric circles radiating from the capital across China's heartland and now at present the major focus is remaining unresolved disputed claims in the near seas. That is why that is rightly a major focus of our discussion today.

Here, there is a similar process of envelopment, coercive envelopment, albeit at sea rather than on land as in the case with the tragedy occurring in Hong Kong right now. At sea, as my colleagues have mentioned, China uses three sea forces. I must emphasize each of these are a component of China's armed forces—the People's Liberation Army Navy, the China Coast Guard, and the People's Armed Forces Maritime Militia. Each is the largest such force in the world in terms of numbers of ships.

Now we could have a long discussion about exact comparisons and qualities and capabilities of ships and in some cases, you could argue, vis-a-vis the U.S. Navy gold standard, it is an apples-to-mandarin oranges discussion. Nevertheless, in these vital contested sea spaces, presence matters. The ability to be present matters. The ability to be there to decide whether or not to engage in various options matters.

And here is where China's overwhelming and still rapidly growing numbers are posing very significant challenges for our efforts to keep the peace and the stability in the region. In the naval dimension, for example, while many advocate a U.S. Navy of 355-plus ships, both manned and unmanned, China already has its own fully manned navy of 360 warships according to data recently released by the Office of Naval Intelligence. And the projections get more disparate over time, out to 2030.

China has the world's largest coast guard by a very large margin. So when it comes to efforts at coercive envelopment in the near seas, these numbers are one of the many factors that we are going to have to address. I would be very happy to elaborate on all these issues, but I want to close by underscoring the challenge of Chinese efforts at a coercive envelopment in prioritized areas for sovereignty projection and assertion. That is really one of the greatest challenges of our time. Thank you.

[The prepared statement of Dr. Erickson follows:]

**COUNTERING COERCIVE ENVELOPMENT:  
HOW TO RESIST PRC POLITICAL-MARITIME CONTROL  
IN ASIA AND BEYOND**

**Dr. Andrew S. Erickson**  
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**Testimony at Hearing on “China’s Maritime Ambitions”  
Committee on Foreign Affairs, U.S. House of Representatives  
Subcommittee on Asia, the Pacific, and Nonproliferation**

**Tuesday, June 30, 2020  
3:00 p.m.  
2172 Rayburn House Office Building  
Washington, DC 20515-6128**

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**Chairman Bera, Ranking Member Yoho, Members:**

**China under Xi Jinping, with the full support of the Chinese Communist Party (CCP), has the most ambitious, assertive national strategy of any great power today, with specific targets through 2049.** The goal is no secret: Xi vows to make China great again by pursuing a “China Dream” of “national rejuvenation.”

**The problem is that these goals run roughshod over the rights and wellbeing of millions and the freedom of non-Chinese societies; and have great potential to jeopardize the peace of China’s region, as well as the rules and functions of the international system on which all depend.**

**Today Hong Kong’s long-deteriorating situation has come to a head. Just hours ago, Beijing railroaded through a popularly-opposed National Security Law negating the Special Autonomous Region’s judicial system and cherished freedoms.**<sup>1</sup> Xi reportedly signed the law, even though the public has not yet seen it. Political opponents are vulnerable as never before; everyone is potentially at risk. Beijing has abruptly abandoned binding commitments and reassurances, which underwrote Hong Kong’s handover from Britain in 1997, and its subsequent special treatment by the United States and other nations. Hong Kong’s identity and status lies damaged and altered irrevocably.

**If the United States and its allies and partners do not counter China’s coercive envelopment of formerly free people and places, there will be much worse to come.**

**Please allow me to share my personal suggestions concerning the key challenges and how best to address them.**

#### **RADIATING RANGE RINGS**

**Since the CCP took Beijing in 1949, it has systematically extended a cordon of control and coercion in concentric circles from the capital and continental heartland.** Chairman Mao, who led this process as the paramount leader of the People’s Republic of China (PRC) for its first quarter-century, stressed tellingly that “Political power grows from the barrel of a gun.”<sup>2</sup> Indeed, Mao’s Party’s Gun, the People’s Liberation Army (PLA) is one of the world’s last remaining party armies. Whether it was invading and subjugating Tibet in 1951, colonizing Xinjiang in subsequent years, opposing U.S. and allied forces in the Korean War, fighting land border wars with India and Vietnam and a skirmish with the Soviet Union during the Cold War, PLA forces were the vanguard of Beijing’s power.<sup>3</sup>

**Today, Beijing’s political-military push-out is extending beyond continental China.** With the notable exception of India, the PRC has settled border disputes with the vast majority of its 14 terrestrial neighbors. At sea, however, Beijing has outstanding disputes with all eight of its maritime neighbors, including a claimed existential opposition to Taiwan’s very existence as a self-governing capitalist democracy. The Yellow, East, and South China Seas are home to all Beijing’s unresolved island/feature and maritime claims disputes; and the vast majority of its outstanding sovereignty disputes. Accordingly, the range rings of China’s most intensive military

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capabilities and activities overlap with these “Near Seas” and their immediate approaches. Beijing’s goal is to coercively envelop maritime East Asia to establish an exclusion zone within which it controls its sovereignty claims, commands its neighbors’ deference, and counters intervention of the United States and any combination of its allies and partners in “core interests,” claims disputes first among them.

#### **MARITIME MAINSTAY: NUMBERS MATTER**

**In the “Near Seas,” Beijing is coercively enveloping disputed features and zones.** It has gained great ground in the South China Sea, where it has many claims and many relatively weak neighbors. Here it has not extended control over many features, using what some term a “cabbage strategy” of surrounding them with layers of ships and sailors that opponents find extremely escalatory, or simply impossible, to overcome. It has built features into artificial “islands” and fortified them, contrary to General Secretary Xi Jinping’s promise to President Obama in 2015. Although the South China Sea is a large, vital, resource-rich international waterway, Beijing claims nearly all of it in some form, and is working to close it off from international rules and norms. Fortified features host ground-based radars supporting an increasingly robust targeting network for PLA weapons.<sup>4</sup>

**China is leveraging the world’s second largest economy and defense budget to develop and network an increasingly capable joint force.** Its quantity leads the world in many areas, and its quality is improving rapidly across the board. As part of a concerted effort to outflank opponents in physics and finances, China boasts the world’s largest conventional missile force.<sup>5</sup>

**On the front lines across the “Near Seas,” however, Beijing primarily employs three sea forces to advance its objectives: the PLA Navy (PLAN), China Coast Guard (CCG), and People’s Armed Forces Maritime Militia (PAFMM).** Each is the sea component of one of China’s three major armed forces. Thanks in part to an incredibly large and fast shipbuilding expansion, one of the biggest in modern history, each is the world’s largest of its type by number of ships. Numbers aren’t everything, but they matter greatly—especially in the Near Seas. They multiply Beijing’s options by affording more options in more places at once. They can overwhelm weaker neighbors. They can outmaneuver a globally-dispersed U.S. Navy. It’s important to grasp just how dominant China’s ship numbers are, and how much more dominant they risk becoming.<sup>6</sup>

**China has the world’s largest navy.** While many advocate a U.S. Navy of 355+ (manned and unmanned) ships, China already has its own fully-manned 355+ ship navy, and within a decade is projected to exceed that benchmark by 70 ships. At the end of 2020, the U.S. Office of Naval Intelligence (ONI) assesses, China will have 360 battle force ships vs. the U.S. Navy’s ~300. In 2025, ONI projects, China’s Navy will have 400 ships. In 2030, ONI projects, China’s Navy will have 425 ships. Even if the U.S. Navy reaches its current goal of 355+ by then, China’s Navy could still have 70 more ships.<sup>7</sup>

**China has the world’s largest coast guard.** Unlike the U.S. Coast Guard, the China Coast Guard (CCG) is charged with advancing disputed sovereignty claims. As China’s sea services continue to expand, the consolidating CCG has taken the lead as one of the premier sea

forces in the region—giving China, in essence, a second navy. With 1,275 hulls and counting, the CCG carries out the maritime law-enforcement activities that dominate the South China Sea as the PRC exerts its claims and postures for dominance. Over the past decade-plus, China has undertaken a massive maritime law enforcement (MLE) modernization program that has increased greatly its capability to operate MLE vessels in remote areas. This build-out has yielded Beijing a formidable “second navy.” Today China boasts not only the world’s largest navy but also the world’s largest MLE fleet—by a sizable margin. China’s coast guard has ~260 ships capable of operating far offshore, many capable of operating anywhere in the world; in addition to at least another 1,050 smaller vessels confined to closer waters, for a total of more than 1,300 hulls. From 2005 to 2020, this represents overall a fifteen-year net increase of four hundred total coast guard ships, among them 202 additional ships capable of operating offshore, representing 350 percent growth in that category. At more than ten thousand tons full load each, China’s two *Zhaotou*-class patrol ships are the world’s largest MLE ships.<sup>8</sup>

**China has the world’s largest maritime militia.** Only Vietnam is known to have an equivalent sea force to pursue disputed sovereignty claims. While virtually unique and publicly obscure, China’s Maritime Militia is known clearly to the U.S. government, which monitors it closely. A component of the People’s Armed Forces, the PAFMM is a state-organized, -developed, and -controlled force operating under a direct military chain of command to conduct Chinese state-sponsored activities. The PAFMM is locally supported, but answers to the very top of China’s military bureaucracy: Commander-in-Chief Xi himself.<sup>9</sup>

PAFMM units have participated in manifold maritime incidents throughout the South and East China Seas, including to advance disputed sovereignty claims. Publicly-documented examples include China’s 1974 seizure of the Western Paracel Islands from Vietnam; 1978 swarming into the Senkaku Islands’ territorial sea; involvement in the occupation and development of Mischief Reef resulting in a 1995 incident with the Philippines; harassment of various Vietnamese government/survey vessels, including the Bin Minh and Viking; harassment of USNS *Impeccable* (2009) and *Howard O. Lorenzen* (2014); participation in the 2012 seizure of Scarborough Reef from the Philippines and 2014 blockade of Second Thomas Shoal; 2014 repulsion of Vietnamese vessels from disputed waters surrounding CNOOC’s HYSY-981 oil rig; large surge of ships near the Senkakus in 2016 and layered “cabbage-style” envelopment of the Philippines-claimed Sandy Cay shoal near Thitu Island, where China has sustained a presence of at least two PAFMM vessels since August 2017.

The elite units engaged in these incidents incorporate marine industry workers (e.g., fishermen) directly into China’s armed forces. While retaining day jobs, they are organized and trained in the PAFMM and often by China’s Navy, and activated on demand. Since 2015, starting in Sansha City in the Paracels, China has been developing more professionalized, militarized, well-paid full-time units including military recruits, crewing 84 purpose-built vessels with mast-mounted water cannons for spraying and reinforced steel hulls for ramming. Lacking fishing responsibilities, personnel train for peacetime and wartime contingencies, including the use of light arms, and deploy regularly to disputed South China Sea features even during fishing moratoriums.

While it may ultimately use any means necessary to achieve its aims, China prefers to achieve them at the lowest level of escalation. Hence its preference for employing its sea forces in gray zone operations, or “low-intensity maritime rights protection struggles,” at a level designed to frustrate effective response by the other parties involved. This undermines vital American interests in maintaining the regional status quo, including the rules and norms on which peace and prosperity depend. As the National Security Strategy of the United States of America 2017 emphasizes, China is engaged in continuous competition with America—neither fully “at peace” nor “at war.” Per this national guidance, the United States must continue to raise its competitive game to meet that challenge, in part by addressing the potential risks to U.S. interests and values posed by all three Chinese sea forces. Beijing is gaming U.S. reactions and desire to avoid escalation if possible. Yet China has a similar interest in avoiding escalation, hence its gray zone activities. Having more options for finely calibrated responses is useful, including responses that are not purely reactive.<sup>10</sup>

**Two potential new layers of coercive envelopment would have particularly negative consequences and hence merit particular American opposition.** First, China seized Scarborough Shoal from the Philippines in 2012, but has not dredged, fortified, or installed radar on it the way it has done on many other seized features. Doing so would greatly enhance Chinese control of the South China Sea and its vital waterways and airways. Second, Chinese sources have discussed declaring and enforcing an Air Defense Identification Zone (ADIZ) around large clusters of PRC-held Spratly features in the southern portion of the South China Sea. Chinese discussion and practice suggest that Beijing might attempt to do so in a severely restrictive manner contrary to international law. Should Beijing proceed accordingly, it would be blocking access to some of the world’s most important airspace and waterspace.

#### STAKES AND SOLUTIONS

**At stake are both the wellbeing of citizens and societies subject to PRC claims and coercion, and the postwar international system whose rules and norms have underwritten unprecedented peace and prosperity for three-quarters of a century.** This affects us all; distance from China does not ensure escape. If Beijing can carve out a sphere of influence in a vital but vulnerable region that remains haunted by history, it will unleash a dangerous return to great power competition with 19<sup>th</sup> century echoes: when might made right, millions suffered without recourse, and the world was literally poorer for it.

**Today, Hong Kong is the canary in the coalmine of CCP coercion.** Here Beijing is already using its geographic and political-military stranglehold to abrogate a raft of recent promises, including a major international treaty filed at the United Nations: the 1984 Sino-British Joint Declaration. In imposing a National Security Law on Hong Kong that eviscerates the autonomy of the “Special Autonomous Region,” Beijing is merely formalizing a long-term transformation from “One Country, Two Systems” to “One Country, One System” (Or, in PRC rhetoric, “One Country Over Two Systems.”

**More broadly, Beijing’s willingness to renege suggests a weakening willingness to abide by agreements and a growing commitment problem for everyone else. If China agrees to a**

**“deal” today, what mechanisms are in place to prevent an undermining of the terms of that agreement—at least in spirit if not in letter—before the ink is even dry?**

Decades before the transfer from British rule in 1997, Beijing was using Hong Kong as a selective portal through which to obtain finances, intelligence, and technology while restricting influence in and information out. In recent years, with the growth of PRC power, Beijing has ever-more-aggressively exploited this unique asymmetric window. Ironically, it is the honoring of the 1984 Sino-British Joint Declaration by other nations such as the United States that has preserved Hong Kong as a unique loophole ripe for exploitation by Beijing. Now, the territory’s exceptional position and attributes lead the PRC to use it to project power across a broad spectrum of financial, technological, and political efforts.

Given the gravity of the threat to American and allied interests, as well as to the international system, **I offer policy recommendations concerning Hong Kong in a separate appendix.** Since Hong Kong’s small size, geography, and geopolitics have rendered it inherently within the scope of Beijing’s security and military services, these are non-military options for U.S. decision-makers. **Most importantly:**

- **Impose costs on Beijing’s ongoing coercive envelopment of Hong Kong.**
- **Undermine China’s ability to exploit Hong Kong as a channel for economic power projection and influence operations abroad.**
- **Create safe havens in the United States and allied/partner countries to absorb Hong Kongers fleeing political persecution and related repression.**
- **Prohibit the export of semiconductor manufacturing equipment, other core dual use technologies, and support services to Mainland China and Hong Kong.**
- **Amend Section 241 and other relevant portions of the Countering America’s Adversaries with Sanctions (“CAATSA”) law in order to leverage an effective and existing set of options for calibrated, targeted measures against selected PRC Mainland and Hong Kong entities and persons.**

PRC efforts to use Hong Kong asymmetrically as a portal for power projection represent an extreme case, but also a microcosm of what Beijing is doing around the world, and will be able to do even more detrimentally if it can extend its coercive cordon. PRC efforts at control and coercion will not stop with Hong Kong and Macau. Left unchecked, they will continue to intensify and radiate outward: next stop, Taiwan.

**Taiwan, the CCP’s next major target and ultimate prize for the foreseeable future, is where the United States and its allies and partners must hold the line on PRC aggression.** Xi’s increasing pressure and suppression of Hong Kong and related messaging appears intended in part to intimidate Taiwan. Washington should reject such pressure on Taipei, and instead link it to both ensured and judiciously increased support for Taipei in a carefully calibrated manner. Taiwan has many advantages: nearly 24 million citizens, undeniably operating an autonomous capitalist democracy, buffered by 100 kilometers of water and airspace. The Taiwan Strait is the island democracy’s first line of defense and has helped safeguard its autonomous development for seven decades. Washington should hold a strong defensive line there in this new era of great power competition, while supporting Hong Kong as well as possible in light of enduring and

emerging realities. One of the best ways to deter Beijing from smothering Hong Kong is to show that such aggressive actions will generate progressive American interactions with, and defenses of, Taiwan that will be self-defeating to PRC expansionism thereto.

The stakes are high: A Taiwan deeply penetrated by China would provide an added means to extend pressure and coercion by proxy, and also to attain access to sensitive technologies. This would severely threaten American interests, the protection of which is my focus here. Moreover, rather than automatically adopt language and policies just because of CCP preferences, some respect should be accorded to how people wish to self-identify and self-refer, especially in this day and age.

**Regarding Taiwan, I offer policy recommendations across the full diplomatic, information, military, and economic (DIME) spectrum in an appendix below. Most importantly:**

- **Hold the line beyond Hong Kong, starting with Taiwan.**
- **Signal support and resolve to Taiwan's democratic capitalist society and leadership.**
- **Review and pursue fine-tuned enhancement of multiple aspects of the U.S. diplomatic, economic, and security relationships with Taiwan.**
- **Intensify Freedom of Navigation and presence operations to challenge illegal Chinese maritime claims and land reclamation activities in the South China Sea and East China Sea.**

More generally, since the aforementioned process of PRC power projection and predations currently radiating through "Near Seas" and their approaches, much of the problem for the United States is becoming a maritime problem. Much of the solution, for American policymakers, will be a maritime solution. Together with allies and partners where possible, the United States must pursue a comprehensive Joint Force approach informed by the National Military Strategy, itself part of a Whole-of-Government approach informed by the National Security Strategy. But U.S. sea forces have unique capabilities to project peace-preserving presence for extended periods, while remaining ready to dial up deterrence as needed. Given the U.S. Navy's dispersed global responsibilities vs. China's concentrated focus on being able to fight and win a regional war over disputed sovereignty claims, potentially against the U.S. and one or more of its allies/partners, a sufficiently-sized U.S. Navy is required to preserve American security and vital interests.

The United States must continue to make clear that it expects all three Chinese sea forces—including the PAFMM—to abide at all times by the same internationally-recognized standards of law, seamanship, and communications to which U.S. maritime forces adhere; including the International Collision Regulations (COLREGS) and other international regulations governing allowable conduct by ships at sea. This includes not tolerating any attempt by the PAFMM to interfere with or compromise the safety, operations, or mission accomplishment of any U.S. government vessel.

**My related military- and maritime-specific recommendations include:**

- **To ensure presence and capabilities, pursue a sufficiently-sized U.S. Navy.**

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- **Take a page from China’s playbook: greatly increase missile inventory and deployment.**
- **Treat PRC armed forces holistically, and resolutely oppose coercive behavior by any of them.**
- **Build capacity and coordinate further with allies and partners.**

Finally, all efforts ultimately hinge on the home front. Our democratic system is great because it honors self-evident truths: human lives matter, people count, citizens know best, and governance requires their freedom to consent and participate. Countering China’s coercive envelopment can thus only succeed over time if it makes sense to citizens across America—particularly as they face ongoing risks to their very medical and economic wellbeing. That is also the best outreach America can have.

**To that end, in Appendix C below, I conclude with recommendations to secure America’s supply chains against over-dependence on PRC sourcing. Most importantly:**

- As part of a larger strategy to reduce American vulnerabilities to China, specific tools of economic statecraft can be applied to reduce risks caused by reliance on PRC-dominated supply chains for critical goods.
- While employing these tools will be neither easy nor cheap, the coronavirus already reveals the alternative: mounting costs in American economic wellbeing, strategic resilience, and lives.
- The defense industrial base underpins the United States’ ability to protect the nation, preserve freedom of action, and keep our partners supporting these efforts. In the event of confrontation, crisis, or even conflict, PRC entities could impose critical mineral supply restrictions that would threaten to cripple American readiness and ability to sustain and reinforce military operations.
- Because it is unrealistic to onshore production of everything, the focus should instead be on (1) ensuring supplies of irreplaceable inputs, and (2) mitigating the risk that single-point failures or purposeful embargoes jeopardize the readiness and ability of the United States and its allies and partners to sustain peacetime resistance and military operations. Actionable pathways can facilitate and accelerate manufacturing sector onshoring for those goods most critical to U.S. national and economic security.
- Key vulnerabilities to address include items that are irreplaceable for maintaining U.S. operational capabilities and for which China plays a sole source, or near-sole source, supply chain role.
- In particular, America’s world-leading government health care spending can be used to incentivize and insist on secure supply chains.

**Thank you, and I welcome your questions.**

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## **POLICY RECOMMENDATIONS IN-DEPTH**

### **APPENDIX A: HONG KONG-SPECIFIC RECOMMENDATIONS**

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**There is an urgent need for policymakers impose costs on Beijing's coercive envelopment of Hong Kong to contain damage to American interests and deter further PRC advances.** Below are two layers of potential action.

**Since the stakeholders affected by each level of action are often different, measures can be mixed and matched to increase friction among key actors if need be.** Publicity and actors affected can be calibrated to control escalation and adjust for proportionality.

**(1) Initial efforts for immediate, simultaneous implementation should focus on key individuals.** Responses in this layer are designed to demonstrate to executors of PRC policies that their actions are being scrutinized and egregious acts in Hong Kong (and elsewhere) may prove costly. Options in this layer include sanctioning key officials and CCP-connected elites; and targeting some of the most egregious trade abuses, such as illicit/coerced technology transfer; as well as capital flows, which Beijing may use to help buy influence outright e.g., via media-related purchases and Belt and Road Initiative projects. Many of them put a premium on government analytical capacity, but the United States already needs such significant capacity to handle China's overall challenges.

- **Create multiple U.S./allied & partner country safe havens for Hong Kongers, particularly those at elevated risk of suppression and political persecution.**
- **Tighten export controls, particularly regarding semiconductors and data/software.**
- **Offer tax-free repatriation of assets from Hong Kong into U.S. markets and assets.**
- **Publish the assets of PRC officials associated with the erosion of Hong Kong's autonomy, including National People's Congress delegates and Hong Kong officials who voted to impose Beijing's national security law on the territory.**
- **Close Macau Loophole.**

**(2) Potential follow-on actions should focus on corporate and business entities and entail more systematic actions broadly targeting key aspects of Hong Kong's financial system and creating legal risks to capital inflows and outflows.** Some measures can be implemented relatively quietly too if need be, but the effects will be larger.

- **Amend Specific Sections and Provisions of CAATSA to Create Additional Policymaker Tools vis-à-vis PRC and Hong Kong Entities.**
- **Intensify U.S. and allied/partner country investigation and enforcement of long-arm jurisdiction anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and UK Bribery Act against Hong Kong entities with links to Beijing.**
- **Require U.S. public pension funds and public university endowments to divest from the debt, equity, and other securities/assets of specified PRC firms linked to repression and human rights violations in Hong Kong.**

For complete analysis and recommendations, see: Gabriel B. Collins and Andrew S. Erickson, "Policy Options to Impose Costs on Beijing's Coercive Envelopment of Hong Kong: Version 1.0," *China SignPost*™ (洞察中国) 102 (30 June 2020), [http://www.chinasignpost.com/wp-content/uploads/2020/06/Hong-Kong-Policy-Options\\_Impose-Costs-on-Beijing-Coercive-Envelopment\\_Version-1.0\\_20200630-1.pdf](http://www.chinasignpost.com/wp-content/uploads/2020/06/Hong-Kong-Policy-Options_Impose-Costs-on-Beijing-Coercive-Envelopment_Version-1.0_20200630-1.pdf).

## APPENDIX B: TAIWAN-SPECIFIC RECOMMENDATIONS

A number of measures to expand U.S.-Taiwan relations align clearly with American values and interests, and follow logically from policies declared and implemented to date. As such, the United States should pursue them immediately and publicly.

- Enter a bilateral free trade agreement, deepen Taiwan's role in measures to diversify critical supply chains away from the PRC.
- Move USG-sponsored Mandarin language study programs to Taiwan (ala Taiwan Fellowship Act).
- Increased intelligence cooperation, especially on cyber issues.
- More robust and overt support for Taiwan in international organizations.
- Increased, higher-level, more public meetings between U.S. and Taiwanese officials.
- More robust, expanded military cooperation between the U.S. and Taiwan, potentially including allied/partner countries at a later date.

There are many further actions and communications that the United States could consider vis-à-vis Taiwan; particularly in response to negative PRC behaviors, including further suppression and weaponization of Hong Kong. Given the inherent opportunities and challenges, these efforts might best be pursued in conjunction with a USG review of Taiwan policy. This has not been done since before Taiwan transitioned to a liberal democracy more than 25 years ago. As part of this review, the USG could consider modifying and updating the interpretation or application in practice of currently operative Taiwan-related State Department guidelines; as well as consider modifying and updating the guidelines themselves. A simple place to start would be retiring clunky government-speak terms like using "Taiwans" to mean "Taiwanese people" or "citizens of Taiwan" that sound unnatural to speakers of plain American English and arguably even unintentionally dehumanizing.

For complete analysis and recommendations, see: Gabriel B. Collins and Andrew S. Erickson, "Policy Options to Impose Costs on Beijing's Coercive Envelopment of Hong Kong: Version 1.0," *China SignPost*™ (洞察中国) 102 (30 June 2020), [http://www.chinasignpost.com/wp-content/uploads/2020/06/Hong-Kong-Policy-Options\\_Impose-Costs-on-Beijing-Coercive-Envelopment\\_Version-1.0\\_20200630-1.pdf](http://www.chinasignpost.com/wp-content/uploads/2020/06/Hong-Kong-Policy-Options_Impose-Costs-on-Beijing-Coercive-Envelopment_Version-1.0_20200630-1.pdf).

## APPENDIX C: RECOMMENDATIONS FOR SECURING AMERICAN SUPPLY CHAINS

As part of a larger strategy to reduce American vulnerabilities to China, specific tools of economic statecraft can be applied to reduce risks caused by dependence on PRC-dominated supply chains for critical goods. While employing these tools will be neither easy nor cheap, the coronavirus already reveals the alternative: mounting costs in American economic wellbeing, strategic resilience, and lives.

Because it is unrealistic to onshore production of everything, the focus should instead be on (1) ensuring supplies of irreplaceable inputs, and (2) mitigating the risk that single-point failures or purposeful embargoes jeopardize the readiness and ability of the United States and its allies and

partners to sustain peacetime resistance and military operations. Actionable pathways can facilitate and accelerate manufacturing sector onshoring for those goods most critical to U.S. national and economic security. Key vulnerabilities to address include items that are irreplaceable for maintaining U.S. operational capabilities and for which China plays a sole source, or near-sole source, supply chain role.

The defense industrial base underpins the United States' ability to protect the nation, preserve freedom of action, and keep our partners supporting these efforts. In the event of confrontation, crisis, or even conflict, PRC entities could impose critical mineral supply restrictions that would threaten to cripple American readiness and ability to sustain and renew military systems to compensate for combat attrition. Here "Trusted Source" inputs are particularly important for (1) rare-earth metal refining and permanent magnet production; (2) other key non-REE mineral inputs that are predominantly produced in and sourced from China; (3) Logic and memory chips, capacitors, magnets, printed circuit boards, and other critical electronics hardware. Critical enabling capabilities include (4) enhanced cybersecurity for firms providing inputs to U.S. defense programs, and (5) strict baseline cloud computing security standards to which all U.S. government service providers and vendors and their managed service providers must adhere. Work done by non-governmental organizations (NGOs) on supply chains to ensure non-use of slave labor can be applied to ensure robustness of supply chains.

Life-critical items for U.S. military and civilians, as well as allied Countries include (1) antibiotics; (2) anti-hypertensives, insulin/anti-diabetic drugs, anti-depressants, anticonvulsants, statins, anesthetics, and analgesics; (3) other widely prescribed medications; and (4) medical devices.

To address these challenges, it is necessary to incentivize capable actors to onshore important supply chain elements while minimizing moves to "pick winners" and other interference in the market economy. To do so, the federal government might be authorized to pursue measures to (1) improve strategic situational awareness, (2) leverage our alliances, (3) leverage the U.S. government's world-leading purchasing power, (4) leverage existing private sector capacity, and (5) finance/tax-incentivize additional strategic production capacity. In particular, America's world-leading government health care spending can be used to incentivize and insist on secure supply chains.

For complete analysis and recommendations, see:

- Gabriel B. Collins and Andrew S. Erickson, *Economic Statecraft: Options for Reducing U.S. Overdependence on Chinese-supplied Materials and Medications* (Houston, TX: Baker Institute for Public Policy, Rice University, 23 April 2020), <https://www.bakerinstitute.org/media/files/files/000f91f7/bi-report-042320-ces-statecraft.pdf>.
- Gabriel B. Collins and Andrew S. Erickson, "Should the United States Reduce Its Dependence on China?" Policy Matters podcast, Baker Institute for Public Policy, Rice University, Houston, TX, 19 May 2020, <https://www.stitcher.com/podcast/policy-matters/e/69789827?autoplay=true>.

Dr. Andrew S. Erickson

- Andrew S. Erickson, discussion of the “Energy Dimensions of the Evolving U.S.-China Strategic Relationship,” Center for Energy Studies, Baker Institute for Public Policy, Rice University, Houston, TX, webinar moderated by Gabriel B. Collins, 8 May 2020, <https://www.bakerinstitute.org/events/2084/>.
- Gabriel B. Collins and Andrew S. Erickson, “Time to Curb America’s Manufacturing Dependency on China,” *China SignPost*™ (洞察中国) 101 (24 March 2020), <http://www.chinasignpost.com/2020/03/24/time-to-curb-americas-manufacturing-dependency-on-china/>.

<sup>1</sup> “CE Welcomes Passage of The Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region by NPCSC,” press release by the Government of the Hong Kong Special Administrative Region, 30 June 2020, <https://www.info.gov.hk/gia/general/202006/30/P2020063000767.htm?fontSize=1>.

<sup>2</sup> Brantly Womack, “From Urban Radical to Rural Revolutionary,” in Timothy Cheek, ed., *A Critical Introduction to Mao* (Cambridge, UK: Cambridge University Press, 2010), 79.

<sup>3</sup> Andrew S. Erickson, “Make China Great Again: Xi’s Truly Grand Strategy,” *War on the Rocks*, 30 October 2019, <https://warontherocks.com/2019/10/make-china-great-again-xis-truly-grand-strategy/>.

<sup>4</sup> Another clear, ongoing example of China’s envelope of assertiveness expanding is its new, ongoing dispute in the South China Sea with Indonesia. The two sides continue to say they have no overlapping claims. Yet Indonesia is clearly concerned about increasingly aggressive Chinese fishing and law enforcement (Coast Guard) activities in its Exclusive Economic Zone.

<sup>5</sup> Andrew S. Erickson, “How Strong Are China’s Armed Forces?” in Jennifer Rudolph and Michael Szonyi, eds., *The China Questions: Critical Insights into a Rising Power* (Cambridge, MA: Harvard University Press, 2017), 73-80.

<sup>6</sup> Andrew S. Erickson, “Maritime Numbers Game: Understanding and Responding to China’s Three Sea Forces,” *Indo-Pacific Defense Forum Magazine* 43.4 (December 2018): 30-35, <https://indodefenseforum.com/maritime-numbers-game/>; Andrew S. Erickson, “Numbers Matter: China’s Three ‘Navies’ Each Have the World’s Most Ships,” *The National Interest*, 26 February 2018, <https://nationalinterest.org/feature/numbers-matter-chinas-three-navies-each-have-the-worlds-most-24653>.

<sup>7</sup> Ronald O’Rourke, *China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress*, RL33153 (Washington, DC: Congressional Research Service, 21 May 2020), <https://crsreports.congress.gov/product/pdf/RL/RL33153>.

<sup>8</sup> Andrew S. Erickson, Joshua Hickey, and Henry Holst, “Surging Second Sea Force: China’s Maritime Law-Enforcement Forces, Capabilities, and Future in the Gray Zone and Beyond,” *Naval War College Review* 72.2 (Spring 2019): 11-25, <https://digital-commons.usnwc.edu/cgi/viewcontent.cgi?article=7971&context=nwc-review>; [https://www.oni.navy.mil/Portals/12/IntP%20agencies/China\\_Media/2020\\_China\\_Recece\\_Poster\\_UNCLAS.jpg?ver=2020-02-19-081430-327](https://www.oni.navy.mil/Portals/12/IntP%20agencies/China_Media/2020_China_Recece_Poster_UNCLAS.jpg?ver=2020-02-19-081430-327); ONI, China People’s Liberation Army Navy (PLAN), Coast Guard, and Government Maritime Forces 2019-2020 Recognition and Identification Guide, [https://www.oni.navy.mil/Portals/12/IntP%20agencies/China\\_Media/2020\\_China\\_Recece\\_Poster\\_UNCLAS.jpg?ver=2020-02-19-081430-327](https://www.oni.navy.mil/Portals/12/IntP%20agencies/China_Media/2020_China_Recece_Poster_UNCLAS.jpg?ver=2020-02-19-081430-327).

<sup>9</sup> Andrew S. Erickson, “Fact Sheet: The People’s Armed Forces Maritime Militia (PAFMM),” Editorial, *The Maritime Executive*, 30 April 2019, <https://www.maritime-executive.com/editorials/fact-sheet-the-people-s-armed-forces-maritime-militia-pafmm>; Andrew S. Erickson, “The China Maritime Militia Bookshelf: Latest Data & Official Statements + My Fact Sheet & Recommendations,” *China Analysis from Original Sources* 以第一手资料研究中国, 7 April 2020, <https://www.andrewerickson.com/2020/04/the-china-maritime-militia-bookshelf-latest-data-official-statements-my-fact-sheet-recommendations/>.

<sup>10</sup> Vietnamese and Indonesian efforts to interdict and impound PRC fishing vessels is one example of a proactive approach.

Mr. BERA. Thank you for your testimony.

I will now recognize members for 5 minutes each, and pursuant to House rules all time yielded is for the purposes of questioning our witnesses. Because of the hybrid format of this hearing, I will recognize members by committee seniority alternating between Democrats and Republicans. If you miss your turn, please let our staff know and we will circle back to you. If you seek recognition, you must unmute your microphone and address the chair verbally. I will start by recognizing myself for 5 minutes.

Mr. Poling, you mentioned that we need to place this issue at the top of our agenda. I think that the ranking member and myself, for purposes of this subcommittee, do place this issue close to the top of our agenda and recognize the urgency of addressing it now as opposed to several years from now because of the possibility of a kinetic conflict.

If we think about the U.S. approach to this region in the post-World War II era, I think we can be very proud of what we did in helping rebuild Japan, creating an economic powerhouse in a competitor and defending the Korean Peninsula, but also seeing the Korean miracle, an economic competitor.

Watching the tremendous growth of Singapore, Australia and New Zealand and others in the region are now watching the subcontinent of India develop. All of these are democracies that share free market principles, share the freedom and principles of democracy, and, in fact, we can take credit for helping China develop its economic prowess. But we have not seen China move in that direction of values-based individual liberties, free markets, et cetera.

Maybe this is a question for Mr. Poling. I have always characterized China as if you give them an inch and do not stop them, they are going to take a foot. If you do not stop them at a foot, they are going to try to take a yard. If you do not stop them at a yard, well—and that is why I was so concerned about their initial building of islands in the South China Sea. Now we have a bigger problem today because we did not stop them on the front end.

You talked about the importance of creating this coalition of nations. And as I talk to our European allies, as I talk to the countries in the region, they understand they are going to have to live with China as a global power in the region, but they are also very leery in a way that today that I did not see previously.

If we were to directly confront some of the Chinese paramilitary actions, to stop them today at a time where hopefully we could de-escalate things, what steps do you think China would take, if there was a direct confrontation with one of these paramilitaries?

Mr. Poling, if you want to take that.

Mr. POLING. Well, thank you, Chairman. I think that most of the value of the maritime militia for China lies in the veneer of deniability, the veneer of civilian activity that it has. So in most cases what Beijing wants to use the militia for is to play chicken either with the U.S. Navy or with neighbors and then back off if things get hot.

If the U.S. started really unmasking the militia in the ways that I have suggested or that Dr. Erickson has suggested, among others, I think what you would see, first, is Beijing reacting in kind of the horizontal ways we have come to learn, lashing out with economic

sanction against not just the U.S., but especially smaller parties who might support us—Vietnam, the Philippines, et cetera.

You might see Beijing undertake a number of the administrative decisions in South China Sea that I think it already has it in its back pocket, things like declaring straight baselines around some of the Spratlys or an air defense identification zone. I mean there is any—I think there is a long list of non-kinetic, nonconfrontational ways that Beijing would seek to escalate, and this will be a long-term game of whack-a-mole, all right.

The U.S. will have to continually respond and push back and convince Beijing that we will not, neither us nor our partners, will retreat and, ultimately, if Beijing wants to be a global leader it will have to come to the table for compromise. I entirely agree with you that if you give an inch, China will take it as weakness and seek a mile.

Mr. BERA. You know, so I agree with you that if it is just the United States versus China defending everyone in the region, I believe we will be less effective than if we can create a multinational coalition of like-minded nations that see the same threats that China poses to freedom of navigation and maritime security in the region. And I do sense in this time of COVID that countries are a bit more willing to join a multinational coalition. I assume that is the right approach.

In the last few seconds that I have, if any of the witnesses want to talk about the possibility of creating that coalition.

Dr. MASTRO. Chairman, if I can just add that I think the important thing is to start with diplomacy. You know, if we do not have active diplomacy, if we do not rank this as high as like the Middle East peace process, then we are not showing countries that it is really important so why should they take the risk to FONOPS or other military activities with us if we are not even willing to sit down and have a big summit with Southeast Asian countries to do it.

So I do think we do have to start with the diplomatic aspects of this.

Mr. BERA. Great. Thank you so—

Dr. ERICKSON. Mr. Chairman, I would also advocate a whole-of-government approach that includes in securing our own supply chains more effectively, also seeking to involve willing allies and partners by helping to also enhance their supply chain security reducing Beijing's ability to coerce them. We can then increase the chances that they will feel willing and able to join us in some of these important maritime endeavors.

So that is another dimension I would like to call for cooperation and I think there is a strong interest in building on that.

Mr. BERA. Great. Thank you.

I notice I am out of time. Let me recognize the ranking member, Mr. Yoho.

Mr. YOH. Thank you, Mr. Chairman. I appreciate all the expert testimonies, very enlightening.

Mr. Poling, you brought up a statement that you said the previous administrations, not to point fingers at anybody, did not really drop the ball or they kept doing things, but is it not true that

we stopped freedom of navigation operations and then they got started again under President Trump?

Mr. POLING. So we—it is true that the Trump Administration has increased the frequency and routine nature of freedom of navigation operations. They were never stopped. The problem was in 2015, following testimony in the Senate Armed Services Committee, the question of freedom of navigation became much more public and that led to, I think, a lot more self-flagellation and concern within the Obama Administration about when they should be done and how they should be done. Prior to that they happened quite regularly.

And so I think the Trump Administration—

Mr. YOHO. Excuse me. It was my understanding that we went to peaceful navigational purposes versus freedom of navigation with our military ships doing the war games. I remember it pretty clearly because we wrote a bill that got incorporated into the NDAA. I just wanted to point that out because I think if we show just a pull-back of any that vacuum gets created and it gets filled by somebody else.

Let me move on to something else and I appreciate again your expertise. Why the expansion of the Chinese navy? If you guys—I think it was Dr., is it—Mastro? You were saying that China is doing that to protect their interests, but what interests have changed that have not been there for the last 70 years? The land borders have not changed. The only thing that I have seen change is China's claim to land borders, erroneously. What is your thought on that?

Dr. MASTRO. Thank you for the question. The first thing on the expansion of the Chinese navy is that that is primarily for regional contingencies. We do talk about the East China Sea and the South China Sea as both being near seas, but the South China Sea is actually quite large, you know, bigger than half the continent of the United States.

Mr. YOHO. Right.

Dr. MASTRO. And so if you look at their ability to project power down there they do, they have some challenges, and so I think mainly their focus is on Taiwan contingencies first, East China Sea, South China Sea second. But they are also interested as I have mentioned in expanding beyond into the Indian Ocean. And I mention the economic and political interests because those actually did not exist previously.

So the number of Chinese nationals overseas, for example, is a relatively new phenomenon. I wrote a paper about it maybe about 8 years ago. And you have tens of thousands Chinese companies operating now in the Indian Ocean region that were not there before that we have seen an uptick because of One Belt, One Road as well. And also China used to not be so reliant on oil and energy from outside, and now they are one of the top importers and they rely on the Malacca Straits for that.

Mr. YOHO. Okay.

Dr. MASTRO. So they do have increased interests and vulnerabilities that they need to—

Mr. YOHO. I understand it. But I do not see any country challenging China as a Nation, you know, nobody is trying to attack

them. And, you know, what I see is an overreaction—not overreaction, but an overaggressiveness of China and it gives pause to think why are they doing that. And it is because of the—what I see, it is because of the aggression that they are doing and the false claims that they are laying the land.

To call those landmasses islands, I think, gives them an air of legitimacy. They are not islands. They are landmasses that they have taken.

A rhetorical question I want to ask, do any of the ASEAN bloc of countries have the capacity to stand up to China? Does anybody want to weigh in on that?

I will hear a no.

Dr. ERICKSON. I would be happy to weigh in for this.

Mr. YOHO. I told you it was rhetorical, so I will answer it. No, they do not.

I have talked to the ASEAN bloc of nations to stand up as a bloc, and I understand their compact says we do not interfere with the politics of another nation, but that was 50 years ago. The conditions have changed. China is becoming very strong, very aggressive, and if we do not stand up together as a bloc, and I have said this to Prime Minister Li, the incoming chair from Vietnam. If you do not stand up today as a bloc, is it going to be possible 3 years from now? And understand, it is not just ASEAN standing up, it would be the U.S., Canada, Great Britain, Germany, the French, Australia, Japan, South Korea, and India. If we do not stand up to China today, it will not be possible.

And I think the other thing we need to do besides standing up collectively is they can do what they are doing in China because they have the economic resources. We need to implement the manufacturing, the ABC method, which is to manufacture anywhere but China, because we are paying them and they are creating the money that we are fighting against. And I think it is time the world wakes up and I am glad to see they are doing it.

And, Mr. Chairman, I yield back.

Mr. BERA. Thank you.

Let me recognize the gentleman from California, Mr. Sherman.

Mr. SHERMAN. A lot of foreign policy is playing to the domestic crowd. The Chinese Government has a crisis of credibility because they cannot answer the question, why are these guys running the country? They cannot claim to be a democracy. The divine right of kings is not selling very well. And they got power by claiming to be the vanguard of the proletariat, but I cannot say that without laughing. So unless they can continue to provide incredible economic growth, they are going to have to hide behind hypernationalism as their reason to continue in power.

We in the United States have some of the same issues. The Pentagon has always had a terrible time when we fight an asymmetrical foe from the Philippine insurrection through Vietnam and then Syria. The Pentagon has covered itself in glory every time we have faced a symmetrical foe. The greatest glory of all, beating the Soviet Union without having to have a major war.

So there is every reason for China to try to exaggerate the importance of this and have a conflict with America as long as it does not get too out of hand. There is every reason for the Pentagon to

say we need to spend hundreds of billions of dollars building a naval presence that can beat China in the South China Sea.

And yes, this is a priority, but remember we have some other—is it a more important priority than the fact that the Ukraine is occupied, or parts of it? Is it more important than the independence of the Baltic States? Is it more important than the attack on the Ladakh region of India by China recently? Is it more important than the Uyghurs being held in, a million of them being held in camps? We have got a lot of priorities.

And to put this in context, I have often heard it argued that these islands are critical because there is trillions of dollars of trade that goes through them. That is all trade in and out of Chinese ports and a few oil tankers that could stay out of the region if they chose to by detouring just a few miles.

So these islands—this maritime issue is of great importance, but we have many things of great importance. And one thing I do not want to see is to see this maritime dispute be used to justify a huge increase in our military budget or anything that would bring us close to war with China on their home ground.

Now one of the things that is of concern is the law of the sea and China is violating it. We, however, have not ratified the United Nations Convention on the Law of the Sea; China has. And while the law of the sea is very important to us, there are literally scores of maritime disputes around the world in which one country or another is unwilling to follow the law of the sea. Cyprus is suffering from that based on what Turkey is doing.

So the question I have here is, do we need a huge buildup in the American Navy if we are going to be effective, or can we limit China's avarice for the oceans off its shores through just diplomatic efforts and perhaps some economic sanctions? I do not know which of the witnesses would like to address that.

Dr. MASTRO. I can go first, sir, if that works.

So I do not think—I think you are absolutely correct that a buildup of the American Navy would not be enough, because as I mentioned in my written testimony, China is relying extremely heavily on legal, economic, and political means to get what they need. And so ratifying, you know, the U.N. Convention on the Law of the Sea, trying to get other countries in the region to—

Mr. SHERMAN. If I can interrupt, would that be in our interest to ratify that treaty?

Dr. MASTRO. I think it would be. There are, of course, downsides. But in terms of the leverage that it gives to us to convince countries in the region that we are serious about freedom of navigation and international norms and principles, I think it would go a long way. And I think we should get those countries together to agree, maybe not on the sovereignty of the islands, but on the maritime rights that those islands give whoever owns them because China is alone in thinking that, because you have a right to this small island you control the whole South China Sea.

So the Navy, of course, is not enough, but it is a key component because I do believe that U.S. deterrence against China has been successful in the past couple of decades and our deterrent has been weakened. And so if we are pushed to operate farther and farther out and we cannot operate in the South China Sea, I am afraid

that then we can no longer really deter China and we will see increased aggression there.

Mr. SHERMAN. Yes.

Dr. MASTRO. So I do think we need to maybe not sort of just build more expensive stuff that might be part of it, but really rethink our force posture in the region more generally.

Mr. SHERMAN. And I do want to comment on Turkey. There are a number of disputes involving Turkey and I do not want the record to think that I think Turkey is on the wrong side of every one of those. I yield back.

Mr. BERA. Thank you.

Let me recognize the gentlelady from Missouri, Mrs. Wagner.

Mrs. WAGNER. Thank you, Mr. Chairman. And I am deeply concerned that domestic discontent and international distraction resulting from the coronavirus pandemic is pushing Beijing to behave erratically and aggressively abroad, particularly in the maritime domain where China is already seeking to erode and replace U.S. influence. The United States must stand by its partners in the Indo-Pacific as we protect the rule of law and freedom of navigation.

As cofounder of the ASEAN Caucus, I am greatly concerned that China is looking to ramp up militarization of the South China Sea while the rest of the world, frankly, grapples with the pandemic response. In April, China rammed and sank a Vietnamese fishing vessel and announced new administrative districts covering as we said its illegal installation in the Paracel and Spratly Islands. These actions have pushed ASEAN leaders to issue a strong statement in opposition to China's claims. Kind of highly unusual for the consensus-based organization.

Mr. Poling, do you believe that Chinese aggression will push ASEAN countries to adopt a more assertive posture against China?

Mr. POLING. Ma'am, I, unfortunately, think it unlikely. I think individual countries especially Vietnam are fed up, and some like the Philippines and Indonesia may be getting there, but ASEAN as an organization is ill-equipped to deal with the South China Sea. ASEAN is an important organization, but this is not an issue that you can get through consensus-based decisionmaking that requires Cambodia's approval on anything.

So I think the statement we saw this weekend which was a very modest strengthening of previous ASEAN statements is about the most the organization is capable of doing.

Mrs. WAGNER. Dr. Erickson, I understand that China is building a series of military and commercial facilities known as the string of pearls connecting its South China Sea installations to the Strait of Hormuz. These installations seem to serve the dual purposes of boxing in India, a potential rival, and boosting China's presence near strategically important maritime choke points. How capable is the Chinese navy of projecting power in the Indian Ocean and what are its ambitions?

Dr. ERICKSON. Well, thank you for those important points. China is working to go further afield in projecting influence and ability to secure its interests in selected cases and this is very much an ambitious work in progress. We see concretely already a naval base in Djibouti, and as you rightly pointed out, there are a series of

other ports where sometimes it is unclear what the ultimate purpose is, but clearly there is extensive Chinese involvement and ample potential for upgrading.

I think we need to keep a very close eye on this. I think our regional diplomacy with the countries concerned will be essential. But I do think it is important to note as Dr. Mastro did that this is a different type of effort on China's part from the hard-edged sovereignty advancement efforts in the East China Sea and the South China Sea, so it is a different type of dynamic. It is a question of longer-term influence over a broader geographic area and that gives us more opportunities for diplomacy and economic engagement with the host nations involved.

Mrs. WAGNER. Well, Okay, let's—

Dr. ERICKSON. I should also say this is one of many ways in which Hong Kong matters and in which various policies we may consider toward Hong Kong will influence China's operations in the Indian Ocean region. There are various Chinese commercial conglomerates engaged in the construction and operation of these ports that may seek favorable treatment for their business interests in Hong Kong courts. That is something to keep an eye on and that might be a place of important information-gathering and leverage.

Mrs. WAGNER. I am running out of time. I agree with you. I also think that we have some opportunities, Dr. Erickson, to work closely with India.

Dr. ERICKSON. Yes.

Mrs. WAGNER. And to make sure that we improve our U.S.-Indian maritime cooperation and deepen our ties between perhaps our navies.

So I am out of time. I yield back, Mr. Chairman.

Mr. BERA. Let me recognize the gentlelady from Pennsylvania, Ms. Houlahan.

Ms. HOULAHAN. Thank you. Thank you to the chair.

And I want to followup with Dr. Erickson. I was hoping that you might be able, sir, to discuss the Chinese coast guard specifically in their activities in the South China Sea to see if you could enlighten or shed some light on whether or not these new and increased operations are a threat to the U.S. interests and to our security.

Dr. ERICKSON. Thank you for the excellent question. China's coast guard really in many ways is almost like a second navy. It is by far the largest in the world in terms of numbers of ships. And while many of them are capable of far-ranging operations, the vast majority of China's more than one thousand coast guard ships are deployed generally near to China.

Unlike coast guards such as the U.S. Coast Guard, China's coast guard has a very important sovereignty advancement mission, and China's coast guard by organizational, recent organizational changes is now formally one of China's, part of one of China's armed forces, as I mentioned before. So there is a hard-edged sovereignty advancement mission that it has that is very different from how the U.S. Coast Guard pursues its operations.

Combine that with the sheer numbers and the increasing capabilities of this force as well as some of the capabilities, limitations

in capabilities of China's neighbors in ASEAN, as has been discussed extensively here, and this is a real problem for regional security, stability, and the rules and norms that would be optimal in making this region peaceful and prosperous.

This is a significant problem. It is one that we can ameliorate through improved partner capacity-building and cooperation with our allies and partners in the region. Japan is also making good contributions here. We can work to do more with Japan and support Japan's own efforts. And maintaining the maritime presence that we can in the region will likewise be important to not allow a vacuum that China can exploit.

Finally, I am in favor of the U.S. Coast Guard's increasing presence in the Western Pacific and including in the East China Sea and the South China Sea. While the numbers are on that will not be huge, it does involve a set of unique capabilities and cooperative efforts that I think will be very useful to the larger set of things we need to do here. Thank you.

Ms. HOULAHAN. I really very much appreciate that answer, a really very complete answer.

For Dr. Mastro in the minute and a half or so that I have, I was wondering what are the current U.S. and Chinese diplomatic initiatives to reduce the risk of military escalation in the South China Sea. How are our current established agreements being maintained and being strengthened and what are the diplomatic gaps that you might see that could use further attention and dialog between those two countries, our two countries?

Dr. MASTRO. Thank you, ma'am, for the question. I think most of our focus when you talk about diplomacy has been on the military diplomacy side. We do have a series of operational agreements. For example, CUES that talks about how militaries should interact with each other if there is an incident at sea. One of the big issues is if the United States was going to have a direct line of communication with China in case there is an incident to avoid escalation.

And while we have, periodically, had hotlines, the Chinese do not answer the phone when we call them and I think this is for a number of reasons. Some say they want to get their act together before they talk to us. I think that there is a strategic benefit to being silent because it increases the risk to the other side and maybe makes the United States capitulate.

But a lot of our diplomatic initiatives are mainly about trying to deal with crises, crisis management, which is important, but I do think we need more on this broader strategic side to show China that we want to have a diplomatic resolution to the South China Sea issue and to push back on their interpretation of sovereignty in the diplomatic realm as well.

Ms. HOULAHAN. Thank you. I really appreciate your time. I am nearly out and I yield back.

Mr. BERA. Thank you.

Let me recognize the gentleman from Virginia, Mr. Connolly.

Mr. CONNOLLY. Thank you, Mr. Chairman, and I think this is a fascinating hearing. Thank you for holding it and thank you to our panel.

In listening to sort of the litany of Chinese assertiveness if not aggression, one comes to the conclusion that under President Xi we are seeing a real transformation in China's posture. Under Deng Xiaoping it was sort of hide your strength and do not necessarily assert yourself too boldly. Under President Xi, after all of that buildup in strength, let's assert it.

It seems to me in the South China Sea, the only power that can counter Chinese influence is us. ASEAN is not a military organization, and even if you looked at its collective military might, it is anemic. It has no capacity to counter the Chinese juggernaut. India, which just suffered a first major set of casualties in an armed conflict or military conflict with China, clearly is not anywhere near capable of deterring a Chinese military threat even today, neither on the seas nor on land. That leaves us. And meanwhile, China is—the title of this hearing is Maritime Ambitions. It is not just in the South China Sea.

The fact that the Chinese built and now are operating the Hambantota port facility, which could easily become a military base because of the indebtedness of the Sri Lankan government and its inability to finance and serve the debt on that finance, has given China a strategic location through which passes, I am told, about, you know, 30 percent of all the world's shipping. And it is a real nice reminder to India that now China has that strategic location.

We mentioned Djibouti, another key chokehold in terms of international shipping lanes. And to make it all perfect, China has asserted on its own that it is an associate Arctic power even though it has no land that is literal in the Arctic, and it has indicated that it wants to create bases, including in Greenland, to bolster that assertion. So it seems to me we are dealing with a very aggressive and assertive China in key maritime locations all around the world.

And it also occurs to me that, frankly, what we are dealing with in the South China Sea, potentially, is a direct threat to us and to international shipping because the assertion being made is this is a Chinese lake. This is our hegemon and you need permission and consent and, if necessary, we will lay claim to other sovereign territory, the Paracel and Spratly Islands, to wit. We will even build artificial islands so we can extend our territorial waters under international law even if it encroaches on others such as the Philippines, Indonesia, Malaysia, Vietnam, and of course Taiwan.

Mr. Poling, would that be a fair summary of what we kind of know about and conclude from Chinese intentions and behavior?

Mr. POLING. I think it would, yes. China wants the South China Sea to be a Chinese lake. And as you indicated, President Xi has put this issue among a few others at the heart of his China dream. It underpins his claim to legitimacy. So, certainly, we are going to continue to see China push and push and push the envelope here because Xi has linked his political future to it.

Mr. CONNOLLY. Can I just followup on one other issue with you, Mr. Poling, that Mr. Sherman was starting to pursue with Dr. Mastro.

It seems to me that the United States has shot itself in the foot by not becoming a signatory to the law of the seas, so we do not

have—we are not at the council's, or the table of council in UNCLOS, the Chinese are and that means they can burrow down into committee work where we are not present and their influence gets spread. Their point of view gets advocated for and argued, ours does not.

Have we made a strategic error in retreating from institutions like UNCLOS that could very much serve U.S. interests at a time like this?

Mr. POLING. Absolutely. It is the only issue on which you can get every chief of naval operations, members of the environmental lobby, you know, U.S. shippers, all at a table and they all agree on something. And the fact that we have not ratified UNCLOS is an enormous strategic own-goal for the United States.

Mr. CONNOLLY. And I would argue on my own that the decision by the Trump Administration to pull out of the Trans-Pacific Partnership I also think was an enormous strategic blunder that created a vacuum for China and I would be surprised if China was not still uncorking champagne in Beijing to celebrate that self-inflicted wound by the United States. I yield back. Thank you, Mr. Chairman.

Mr. BERA. Thank you, Mr. Connolly.

I will take the chair's prerogative to ask an additional question and I know the ranking member also has additional questions. And I appreciate the witnesses for sticking around to continue to answer questions.

I think it was last year, this committee had a hearing on the second island chain and the freely associated States. And I know we have not talked about China's maritime strategy in the second island chain, but I'd like if each of the witnesses potentially could touch on that from their perspectives.

We have seen economic coercion there to try to isolate Taiwan, et cetera, in some of the freely associated States, but I do have deep concern if China does start to grow their ties with the second island chain, just the mass of territory in terms of maritime territory that would be covered would be quite large. So, perhaps, starting with Mr. Poling, then Dr. Mastro, if you could comment on that.

Mr. POLING. I would be happy to. I think that we should be concerned about Chinese inroads, economic or political, within Micronesia in particular. This is the U.S. strategic backyard. It has been since World War II. It is a place where the U.S. has insurmountable advantages unless we give them up ourselves. So again, it would be an enormous U.S., you know, failure if we allowed our primacy in the second island chain to slip away.

What is needed is vigilance and so far we have been vigilant in responding to Chinese inroads. I just worry that our interest in the Pacific islands is always so episodic that there is always the risk that we look away. And Beijing is waiting to take advantage if we do.

Mr. BERA. Great.

Dr. Mastro.

Dr. MASTRO. I think there are two main things to be concerned about that are somewhat separate. The first is the issue of coercion. And as I mentioned in my testimony, China is very good at

keeping things below the threshold of conflict so it is very difficult for the United States to respond. So they do have more military capability is, you know, in the second island chain, I would expect them to also have these more military coercive tools that they would use in such a way that it would make it hard for the United States to respond and so they would have more influence.

The other issue is operational. If China does control the first island chain, the second island chain will become much more contested. This is just a matter of range of systems. You know, until there were South China Sea islands, China couldn't target U.S. bases in the Philippines and Australia very effectively. And now because they can take off, you know, their aircraft can take off from those islands with, you know, air launch cruise missiles, now all of a sudden those are at risk.

So once the second island chain is contested as their military is able to operate more freely in the first island chain, then it becomes more difficult to defend, you know, Japan, for example. And so this is why—I am not sure we have convinced the committee, but this I think this is why at least I am trying to argue that this is the priority.

This is the most important issue, more important than the other issues, I think, that Mr. Sherman mentioned because Asia is the most dynamic and prosperous part of the world. The United States needs to maintain its position there. And even though Russia is also a threat, Russia spends \$65 billion on its military while China spends a hundred billion and meanwhile our NATO allies spend almost three times as much as our Asian allies do. So to a previous point made, they absolutely need the United States military to be there to defend them or else China is just, you know, going to run amok over everybody.

Mr. BERA. Dr. Erickson.

Dr. ERICKSON. Yes. Chairman Bera, I want to further underscore the importance of your emphasis on this. It is a strategic area for the United States. One of the many unique or important aspects is the Kwajalein Atoll missile testing facility, some things that would be hard to replicate elsewhere.

And one reason we need to keep being vigilant, as Greg Poling has rightly pointed out, is because China has a sort of checkbook diplomacy and influence approach. That is one of its preferred approaches that it has advantages in pursuing, and in the Pacific islands there are some areas of limited-size population and economy where a targeted Chinese investment could have a significant impact.

So I just want to agree with all that has been said here and hopefully we can redouble our efforts to shore up this critical area and not let China subvert it. Thank you.

Mr. BERA. Thank you.

And let me recognize the ranking member, Mr. Yoho.

Mr. YOH. Mr. Chairman, thank you. And I appreciate all of our witnesses. You guys have brought just a great insight. You know, as we talk about that second chain of islands and if we look at the landmass through the Pacific island nations, it is more landmass than I think a good portion of the world, you know, when you look

at that area it just covers such a broad area and we cannot afford to secede that to anybody or lose that to anybody.

And I want to go back and talk about UNCLOS again, because Mr. Sherman brought this up and I do believe if we are at the table we can negotiate better. But I look at—I think there is 167 or 169 countries that have signed that, China being one of them, yet China does not follow the mandate of that organization.

You know, if you look at the Philippines' claim, China lost that lawsuit. If you look at China's claim as a near-Arctic country and they are laying claim to that, I wonder what good it is to sign it if these other nations are not going to enforce it. You know, and I do not want to get into too much politics, but, you know, we pulled out of TPP, and Hillary Clinton as candidate said she would have pulled out of that.

I look at the Paris Climate Accord that we were in. It was not signed or ratified. President Trump pulled out of it, yet the United States is the only country that has reduced their net greenhouse gases and I think leadership comes from the actions that you do whether you sign a deal or not. And for the countries that have signed the United Nations Law of the Sea Convention, they need to act up collectively. And I think Mr. Connolly brought up very well that nobody in the ASEAN bloc of nations has the capability of standing up.

The point is, if they were to stand up as a bloc that represents 653 million people, roughly three trillion dollars in trade, they would not be standing alone. It would be these other nations. And until we as, I guess, civilized nations challenge China, China is going to continue to do what they are doing. I think we all need to be concerned of why China is doing what they are doing.

I think it has been pointed out very well in the Michael Pillsbury book, *The Hundred-Year Marathon*. Their ultimate goal is, and Xi Jinping has said this at the, I believe it was at the 19th Communist Party Congress in 2017, when he said the era of China has arrived. No longer will they be made to swallow their interests around the world; it is time for China to take the world stage.

I think it is very evident of what they are doing with Hong Kong, the South China Sea, controlling both ends of the Panama Canal, and their expansion in their chain of pearls through their Belt and Road Initiative, it is very clear and evident. It is time the world wakes up. And we do not want a conflict, we just want people to be accountable and play by the rules of the game. And I would like to hear any final thoughts that you guys may have and I want to thank the chairman for having a great meeting and I really do appreciate it.

Dr. Mastro, do you want to start?

Dr. MASTRO. Sure. Thank you, sir, for those thoughts. I would just say that, while I understand the frustration with a lot of international institutions, I do believe that our approach needs to be to try to change them from within or establish new institutions that are more effective.

Mr. YOHO. I agree.

Dr. MASTRO. One of the things that I always look at is, you know, the only reason we have a U.N. command on the Korean Peninsula is because the Soviets did not show up to veto it. And so

in some cases, China is able to get away with what they are doing because we actually do not have the consensus we think that we do. Twenty-seven nations agree with China's position that EEZs you have the right to regulate military activity.

So this is something that we need to be more proactive at making sure that China is diplomatically isolated. In some cases we wish they were, but actually they are not. And so I do think that that ratification would help for us to be there, not for the sake of, you know, the institution itself, but because there is political power associated with it would be useful, but we have to think about it, go in with our eyes open and say if we are not getting what we need from this institution maybe it is time to start a new, different one that actually helps us accomplish our goals.

Mr. YOHO. Thank you.

Mr. Poling.

Mr. POLING. I would just agree wholeheartedly with that. I mean the U.S. wins this competition by being a leader and the best way to lead is to be open and honest about the faults and weaknesses of current national institutions, but not to turn our backs on them. And UNCLOS is something that we negotiated that we should be holding China to. We should not be using China's malfeasance as an excuse not to ratify.

Mr. YOHO. Dr. Erickson.

Dr. ERICKSON. Yes. Thank you, Ranking Member Yoho, and I understand the concerns. I think we need to redouble our messaging efforts to make it clear that China often signs agreements or makes pledges but does not honor them in practice. So when it comes, for example, to the U.N. Convention on the Law of the Sea, I personally strongly support U.S. ratification of that. I think it would have many, many benefits.

But I think what the U.S. needs to state more clearly in the present context is we have not ratified UNCLOS but we adhere to its actual provisions much more faithfully than China which has ratified it. It is an example of one of many very important disparities that I do not think are sufficiently recognized.

I agree there are sometimes agreements, treaties that have not stood the test of time or are against our interests. I personally have gone on record as saying good riddance to the INF Treaty, because if Russia would not comply and China would not join, we should not have our hands tied on successfully deterring Chinese aggression and adventurism in the Western Pacific.

Moving forward, I think there are some things that we can build off additionally. As has been mentioned before, Xi Jinping is antagonizing and being aggressive toward so many different neighbors at once, I think that is going to give us opportunities to build better cooperation and coalitions against Xi Jinping's aggression. It is a marked departure from previous Chinese Communist Party leadership and I think it represents an overextension that we can use in the long run to subdue this negative approach that Xi Jinping is taking. Thank you.

Mr. YOHO. I agree with you wholeheartedly, and you justified my point about UNCLOS. And thank you and I appreciate everybody and, Mr. Chairman, as always, thank you for your graciousness.

Mr. BERA. You are welcome. And I want to give a thank you to our witnesses for their answers to our questions and their comments. Member questions are now concluded. I will now move to make a closing remark.

I do think this is a top issue. Clearly, in the 21st century, the Indo-Pacific region and its maritime security, and freedom of navigation, will be increasingly important and should be at the top of our foreign policy concerns. I also think in the midst of this global pandemic, this economic challenge that we face at a global level does give us a silver lining and an opportunity to rethink what the multinational approaches look like in the 21st century.

The United States can be very proud of what we accomplished in the post-World War II era, rebuilding Europe helping rebuild large parts of Asia, creating stable, free-market democracies and allies, friends, with shared values, and creating a relative era of peace. We as a planet have not faced a challenge like this global pandemic—that affects all of us, not just one State or one country, but the entire world simultaneously—while also facing the challenge of rebuilding coming out of this pandemic. And it will give opportunities, I hope, to create the multinational coalitions of like-minded countries to move us into the 21st century to address these challenges.

Now I do not anticipate that China will rise to the occasion and join with like-valued countries like the United States, our European allies, our Asian allies, and others around the world, but I would hope that they do. And we will always compete economically. That is fine. It is a fair playing field. But we can continue an era of prosperity and peace if we were to build on the values that ourselves and other countries hold so dear, in terms of democracy, human rights, and free markets.

And also this was our first hybrid type of hearing in this new era of a pandemic and I really want to tip my hat to the Foreign Affairs staff, Camilla and Samantha, for the work that you did. I think it came off without a hitch and hopefully this gives us an opportunity as we continue to convene to continue to have more of these hearings because they are extremely important.

And with that let me recognize the ranking member, if he has any closing remarks.

Mr. YOHIO. Mr. Chairman, I would just say I agree with everything you said, especially with the staff.

And I just want to add that China's actions are not those of a responsible, wanna-be superpower. China will not alter its course or actions in the East Sea, the South China Sea, Arctic, or elsewhere until it meets sufficient resistance to change its behavior. And we can do that together as nations that pull together to just get them to be responsible players. Thank you.

Mr. BERA. Thank you, Ranking Member Yohio. I want to thank our witnesses and the members who participated in this very important and interesting hybrid hearing, and with that the hearing is adjourned.

[Whereupon, at 4:27 p.m., the subcommittee was adjourned.]

## APPENDIX

### SUBCOMMITTEE HEARING NOTICE COMMITTEE ON FOREIGN AFFAIRS U.S. HOUSE OF REPRESENTATIVES WASHINGTON, DC 20515-6128

#### Subcommittee on Asia, the Pacific, and Nonproliferation

Ami Bera (D-CA), Chairman

June 30, 2020

#### TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held by the Subcommittee on Asia, the Pacific, and Nonproliferation in Room 2172 of the Rayburn House Office Building. Pursuant to H.Res. 965, Members who wish to participate remotely may do so via Cisco WebEx. The hearing is available by live webcast on the Committee website at <https://foreignaffairs.house.gov/>.

**DATE:** Tuesday, June 30, 2020

**TIME:** 3:00 p.m.

**LOCATION:** 2172 Rayburn House Office Building

**SUBJECT:** China's Maritime Ambitions

**WITNESS:** Gregory B. Poling  
Senior Fellow for Southeast Asia  
Director, Asia Maritime Transparency Initiative  
Center for Strategic and International Studies

Dr. Oriana Skylar Mastro  
Resident Scholar, American Enterprise Institute  
Assistant Professor of Security Studies, Georgetown University

Dr. Andrew S. Erickson  
Professor of Strategy, China Maritime Studies Institute, Naval War  
College  
Visiting Scholar, Fairbank Center for Chinese Studies, Harvard University

#### By Direction of the Chairman

*The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.*

# COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON ASIA, THE PACIFIC, AND NONPROLIFERATION HEARING

Day 30 Date JUNE Room 2172

Starting Time 3:08 Ending Time 4:28

Recesses ☐ ( to ) ( to ) ( to ) ( to ) ( to ) ( to ) ( to )

Presiding Member(s)

*Ami Bera*

Check all of the following that apply:

Open Session ☒

Electronically Recorded (taped) ☒

Executive (closed) Session ☐

Stenographic Record ☒

Televised ☒

TITLE OF HEARING:

*China's Maritime Ambitions*

SUBCOMMITTEE MEMBERS PRESENT:

*Bera, Sherman, Houlahan, Connolly, Cho, Perry, Wagner, Mast, Chabot*

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an \* if they are not members of full committee.)

*Chabot*

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or  
TIME ADJOURNED 4:28

*Ryan Velez*  
Subcommittee Staff Associate

[illegible]

## BERA OPENING STATEMENT

Opening Statement

The Honorable Ami Bera

Chairman, Subcommittee on Asia, the Pacific, and Nonproliferation

House Committee on Foreign Affairs

China's Maritime Ambitions

Tuesday, June 30, 2020

3:00pm, 2172 Rayburn House Office Building

I want to thank Ranking Member Yoho, the members of this subcommittee, our witnesses, and members of the public for joining us at today's hearing.

Over the past several months we have seen how COVID-19's race around the world has sparked remarkable upheaval in the global economy and international stability. This subcommittee held two hearings on the pandemic in February. I remain concerned about the damage it is having at home and abroad. But it is important we continue to have an eye on one area that has not changed, and that is China's encroachment and violation of time-tested values in the maritime domain. It is through this lens - the shared values that bind the United States and our partners in the region - that we need to view China's actions.

I have sat on this subcommittee since 2013. Through the years, I've viewed China's actions in the maritime domain with deep concern. I watched with alarm when China built up and militarized features in the Spratly Islands and other areas in the region. In recent months, China has continued to these actions. Chinese fishing boats swarmed Indonesian waters near the Natuna Islands in December and China sank a Vietnamese fishing boat in April.

We've seen the same story in the East China Sea and Indian Ocean. In May, Chinese Coast Guard ships pursued a Japanese fishing boat in Japanese waters. I also continue to have concerns about China's influence in the Indian Ocean, like at the Hambantota Port, and the implications for the United States and countries in the region. Their actions pose serious threats to regional stability.

One might wonder, why does this matter? Some may argue that China has little reason to restrict access to the South China Sea. According to the think tank CSIS, 60% of China's trade comes from the sea and much of that comes through the South China Sea.

China's actions in the maritime arena are important for three reasons. They violate agreed upon, universal principles like freedom of navigation, and therefore undermine international stability. When they claim waters not their own, they threaten our partners and allies. Finally, we cannot let one country monopolize an area with abundant natural resources and trade- an area that should be accessible to all nations.

Shared values and principles like freedom of navigation matter. But China ignored an international court ruling that declared they had violated the UN Convention on the Law of the Sea in 2016 - a convention, by the way, that the United States should have ratified long ago. China's actions undermine these principles, which give all nations a stake in international peace.

For that reason, we must support countries in the region, regardless of where they may fall in the emerging competition between the United States and China, and help them assert their lawful claims over their own waters and islands.

Countries in the region do not seek conflict with China. I have heard this time and time again in my conversations with ambassadors this spring. But they want to maintain control over their own waters. The U.S. must support those claims. The ability to freely navigate the world's waters cannot be controlled by one country. This denial harms the economies of China's neighbors by preventing access to these waters' abundant resources.

The same rings true when we discuss the East China Sea and supporting our treaty ally, Japan. Or China's moves against our partner, Taiwan, in the Taiwan Straits. And it applies to China's actions in the Indian Ocean.

The seas are the lifeblood of our international economy. They literally feed millions- from Americans here at home to the Indonesian and Vietnamese and Filipino fishermen trying to put food on their tables. To enable one country to establish supremacy over the seas and oceans across Asia is contrary to both our own interests, but also the livelihoods of those fisherman, and the values that unite countries around the world.

We need to confront this challenge. It may mean grappling with the threat that the Chinese Navy poses - from their two aircraft carriers and hundreds of fighter aircraft to their militarized Coast Guard. It will also mean supporting countries in the region through a variety of political, economic, and governance related tools.

I look forward to hearing from our witnesses about how to assist our partners in the region, and what tools the United States government can bring to bear to support these universal values and protect our own national security. With that, I yield to the Ranking Member.

## ADDITIONAL STATEMENTS FOR THE RECORD CONNOLLY

### Statement for the Record

*Submitted by Mr. Connolly of Virginia*

Under the leadership of Chinese President Xi Jinping, China has undertaken a dramatic expansion of its investment and influence globally, and its maritime ambitions are no exception. Beijing continues to build artificial islands and enhance its military presence in its surrounding waters and the territorial waters of its neighbors, while simultaneously bolstering its naval capacity and increasing its economic leverage through maritime projects far from its shores. As the world is distracted by the COVID-19 pandemic and President Trump's attempts to blame China for his Administration's own failures to protect the American people from this deadly virus, it is critical that we not only understand China's maritime actions, but also that we undertake a nuanced strategy to manage China's rise, rather than just retreat.

The territorial disputes in the South China Sea have become one of the most notable indicators of Beijing's growing assertiveness in the Indo-Pacific. China claims the area within the infamous nine-dash line which covers about 90 percent of the South China Sea. Beijing is actively building artificial islands in the region – adding more than 3,200 acres of land to the features it claims in the Sea – that infringe on the territorial claims of Brunei, Malaysia, Taiwan, Vietnam, and the Philippines. The Sea holds enormous quantities of oil and natural gas, not to mention its importance as fishing grounds. However, its primary strategic importance derives from the fact that many important sea lanes converge here with a third of global shipping passing through the area. Despite a decisive ruling in favor of the Philippines' territorial claim by the United Nations Convention on the Law of the Sea (UNCLOS) arbitral tribunal in 2016, in practice Beijing has simply rejected that ruling, demonstrating a concerning disregard for international law.

At the same time, China has also continued to build up its military presence on these newly created islands, building military airfields, berthing areas, and resupply facilities as well as deploying advanced anti-ship and anti-aircraft missile systems. The primary purpose of these islands is to serve as bases for China's militarized coast guard and hundreds of ostensibly civilian "maritime militia" vessels. These ships harass, pressure and coerce China's neighbors without the appearance of using military force. Conversely, compliant countries are offered economic assistance, investments, and other incentives. Beijing has also worked hard to keep the disputes strictly bilateral and has employed divide and conquer tactics to prevent multilateral institutions like ASEAN from taking a greater role.

The Chinese military is currently undergoing its most comprehensive reforms in at least 30 years. According to the think tank International Institute for Strategic Studies, since 2014, China has procured more submarines and naval ships than were currently serving in the navies of Germany, India, Spain, Taiwan and the United Kingdom combined, as of 2018. China's 300-plus-ship navy, which includes advanced platforms such as submarines, two operational aircraft carriers, and large multi-mission surface vessels, is giving China blue-water capabilities and the ability to conduct sustained operations and project power far from China's periphery.

Beyond China's overt naval expansion, Beijing's flagship foreign investment strategy – the Belt and Road Initiative (BRI) – has provided cover for several maritime infrastructure projects that threaten U.S. national security interests. In addition to deepening China's trade ties, the BRI has the potential to re-orient a large part of the world's economy towards China, which, in turn, would considerably increase China's global leverage. Although BRI projects are ostensibly pursued for their economic and development potential, they may also carry political and security implications for host countries. This situation is further exacerbated by the fact that many BRI countries suffer from weak government institutions, political instability, and high corruption, making many BRI projects economically unviable. This has given rise to allegations that China is coercing developing countries into participating in such projects, to gain access to resources and critical infrastructure. The Hambantota deep-sea port in Sri Lanka, which I visited in February 2017 amid an intense public debate about the future of the port, now serves as the prime example of this so-called “debt-trap diplomacy”: in December 2017, the port was taken over by a Chinese SOE via a 99-year lease when the Sri Lankan government could no longer service its debts.

In the Trump Administration, the story of U.S.-China relations is one of gobsmacking incoherence. President Trump has complained about China's unfair trade practices, yet he abandoned the Trans-Pacific Partnership, allowing China to write the region's trade rules. While China has tripled its global aid and other financial flows since 2008, the Trump Administration's FY 2021 budget proposes to slash a quarter of America's global footprint. As China's predatory trade and investment strategy continues to threaten longstanding U.S. interests, the Trump Administration itself may be fueling Beijing's practices by abandoning U.S. commitments to the region and starting an unnecessary trade war. Former National Security Advisor John Bolton's account of President Trump pleading with President Xi to help him win re-election was as predictable as it was disturbing.

China is playing the long game. For the United States to compete strategically, we need to make investments beyond the immediate horizon. That means investing in our own domestic competitiveness in areas including healthcare, education, technology, and infrastructure, as well as enhancing our global engagement through our diplomatic and development efforts. The Trump Administration's incoherent bluster is not going to cut it against our foremost competitor in the coming century.

## RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD REP. WAGNER

### Questions for the Record

Rep. Ann Wagner

“China’s Maritime Ambitions”

#### *Question from Rep. Wagner to Dr. Mastro:*

Dr. Mastro, China has set a goal of fully modernizing its navy by 2035. What is China’s progress towards this goal? What vulnerabilities and difficulties remain in China’s naval modernization, and how can the United States leverage those weaknesses?

#### *Answer from Dr. Mastro to Rep. Wagner*

Many of the challenges China faces with respect to naval modernization exist for other areas of power projection as well. Specifically, China’s lack of combat experience, difficulty in conducting joint operations, and the negative impact of COVID and corruption on naval modernization efforts. Unique to the maritime realm are the navy’s difficulty with anti-submarine warfare and the lack of requisite logistics and sustainment capabilities for blue water operations. More information about these vulnerabilities and difficulties is below.

The United States should do three things to leverage these weaknesses. First, we should highlight in exchanges China’s lack of experience and how far they have to go to reach US standard of joint operations. Fear of failure is the main thing that imposes caution on Xi Jinping – we do not want the military’s confident messages about their capabilities to be the loudest voices he hears. Second, the US needs to prioritize in its procurement and budgeting maintaining undersea warfare dominance. Given China’s threat to the surface fleet, the dominance of US submarines is the best way to maintain our deterrent against China. Third, prevent China from gaining military access to port facilities in the Indian Ocean region, preferably through positive inducements to potential host nations.

- Lack of recent combat experience and personnel<sup>1</sup>
  - PLA hasn’t fought a major military conflict in the forty years since it invaded Vietnam (it had a brief confrontation with Vietnam in 1988).<sup>2</sup>
  - Struggles to recruit, train, and retain a professional fighting force, especially to match the rapid growth of ships since skills and training take time and are the hardest things to modernize<sup>3</sup>
    - Recent reforms have actually been found to increase stress on service members which has been impacting the PLAN’s ability to modernize its personnel<sup>4</sup>

<sup>1</sup> <https://www.businessinsider.com/chinese-military-is-improving-but-us-has-more-combat-experience-2020-7/>  
<https://fas.org/sgp/crs/row/R133153.pdf>

<sup>2</sup> <https://www.cfr.org/background/chinas-modernizing-military>

<sup>3</sup> <https://www.cfr.org/background/chinas-modernizing-military>

<sup>4</sup> <https://jamestown.org/program/assessing-mental-health-challenges-in-the-peoples-liberation-army-part-1-psychological-factors-affecting-service-members-and-the-leadership-response/>

- COVID as a recent challenge<sup>5</sup>
  - Shipbuilding and production have been halted since the outbreak, impacted the deadlines for 2021
    - “Jiangnan Shipyard in Shanghai, which is building China’s third aircraft carrier, asked employees, who travelled to other cities since the virus outbreak, not to return to work until further notice, or quarantine themselves at home for the stipulated period.”
    - Carrier-based aircraft production by Shenyang Aircraft Corporation in Liaoning Province has also suspended production with similar orders to quarantine workers
      - There is currently a shortage of J-15 aircraft that Shenyang was supposed to be producing, but this shortage will continue due to the shutdowns
    - Weapons manufacturing are located predominately in Wuhan and have been shut down indefinitely – impacted the PLAN’s ability to continue power projection in the region
  - Recruitment for this year has been halted for the PLA in totality
    - Even before COVID, there was a severe shortage of navy aviation pilots
      - Efforts to train more pilots and accelerate production of the J-15 aircraft have been halted which further exacerbates the strain
- Joint operations with other parts of China’s military<sup>6</sup>
  - Minimal cross-service operations are occurring and, even with efforts to improve, the “lack of qualified joint commanders and staff officers continues to plague” the PLA as a whole<sup>7</sup>
    - Without significant progress, the PLA’s lack of jointness will result in “deconflicted operations,” where the services operate in proximity to, but not with, each other
- Antisubmarine warfare (ASW)<sup>8</sup>
  - Several Chinese sources have called on the PLAN to improve ASW operations capabilities as the submarine fleet begins more expeditionary missions rather than just A2AD<sup>9</sup>
    - “Requires technical expertise, coordination of sophisticated weapon systems, and operational experience”
- Corruption

<sup>5</sup> <https://www.hindustantimes.com/analysis/how-coronavirus-is-stalling-china-s-military-modernisation-plans/story-k733Qeay8VioryGr8V0aNM.html>

<sup>6</sup> <https://fas.org/sgp/crs/row/RL33153.pdf>

<sup>7</sup> [http://www.andrewerickson.com/wp-content/uploads/2019/02/PLAN\\_Xi-Era-Reforms\\_Chairman-Xi-Remakes-the-PLA\\_McCaslin-Erickson\\_NDU\\_2018.pdf](http://www.andrewerickson.com/wp-content/uploads/2019/02/PLAN_Xi-Era-Reforms_Chairman-Xi-Remakes-the-PLA_McCaslin-Erickson_NDU_2018.pdf)

<sup>8</sup> <https://fas.org/sgp/crs/row/RL33153.pdf>

<sup>9</sup> [https://www.uscc.gov/sites/default/files/Research/China's%20Incomplete%20Military%20Transformation\\_2.11.15.pdf](https://www.uscc.gov/sites/default/files/Research/China's%20Incomplete%20Military%20Transformation_2.11.15.pdf)

- Some Chinese leaders perceive as weakening loyalty to the CCP<sup>10</sup>
- Recent arrest of CSIC (China Shipbuilding Industry Corporation, China's leading military shipbuilding state-owned enterprise from 1999 to 2019) Chairman Hu Wenming highlights the depth and seriousness of the corruption<sup>11</sup>
  - Wenming was once the chairman of China State Shipbuilding Corporation (CSSC), CSIC's competitor before he was transferred to CSIC as chairman and party group secretary in 2015
    - Wenming had retired suddenly in Aug. 2019 and his arrest for corruption was announced in early 2020
  - From 2015-2019, the Corruption department visited CSIC repeatedly for the following offenses:
    - "Lack of oversight by Party and discipline inspection organizations, violation of regulations among research institutes, incomplete financial records, exchanging bribes for research funding, redirecting research projects to private companies, sale of company resources and technology for personal gain, using one's position to benefit businesses of family and friends, violation of party rules, and incomplete regulations on personnel selection and appointment."
- Impacts to PLAN effectiveness<sup>12</sup> –
  - Quality of equipment affected by endemic corruption as administrators stole company funds and technology for personal benefits
  - Incompetent individuals' bribes for positions of importance influenced the company's culture, morale, and ability to support the PLAN
  - Corrupt individuals and networks pose a clear security risk to the PLAN
    - Potential of confidential information leaks is high and opens the door to foreign intelligence penetration
- Lacks requisite logistics and sustainment capabilities for blue water operations<sup>13</sup>
  - Currently relies on commercial replenishment ships and ports, which is unsustainable in wartime<sup>14</sup>
    - Currently the Type-903 replenishment ship is suitable for short deployments, but can only support two-to-three ships for approximately two weeks at a time before requiring a resupply
    - Type-901 has double the fuel capacity, but there are currently only 2 Type-901's in operation so China needs more of these

<sup>10</sup> <https://www.cfr.org/background/chinas-modernizing-military>

<sup>11</sup> <https://thediplomat.com/2020/05/the-invisible-threat-to-chinas-navy-corruption/>

<sup>12</sup> <https://thediplomat.com/2020/05/the-invisible-threat-to-chinas-navy-corruption/>

<sup>13</sup>

[https://www.uscc.gov/sites/default/files/Research/China's%20Incomplete%20Military%20Transformation\\_2.11.15.pdf](https://www.uscc.gov/sites/default/files/Research/China's%20Incomplete%20Military%20Transformation_2.11.15.pdf)

<sup>14</sup> <https://www.nationaldefensemagazine.org/articles/2020/6/10/its-the-logistics-china>

- However, without additional supply location options, even the Type-901 limits any carrier strike group or project capabilities
  - Limits power projection capabilities beyond the first island chain<sup>15</sup>

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<sup>15</sup> <https://fas.org/sgp/crs/row/RL33153.pdf>