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**NATIONAL DEFENSE UNIVERSITY**  
**JOINT FORCES STAFF COLLEGE**  
**JOINT ADVANCED WARFIGHTING SCHOOL**



**Countering China's Maritime Territorial Disputes**

**By**

**Jeremy R. Rich**

*Commander, United States Navy*

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**Countering China's Maritime Territorial Disputes**

by

**Jeremy R. Rich**

*Commander, U.S. Navy*

**A paper submitted to the Faculty of the Joint Advanced Warfighting School in partial satisfaction of the requirements of a Master of Science Degree in Joint Campaign Planning and Strategy. The contents of this paper reflect my own personal views and are not necessarily endorsed by the Joint Forces Staff College or the Department of Defense.**

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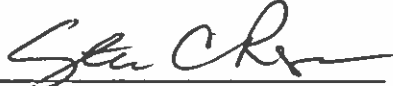
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## **ABSTRACT**

This thesis examines China's conflicting maritime territorial claims in the western Pacific Ocean area and makes recommendations to confront and resolve the issue. The tactics and strategies China employs to advance its political goals in the South and East China Seas are intended to increase Chinese influence and territory while remaining short of provoking kinetic conflict. Through an examination of the instruments of national power, the author makes recommendations to develop an avenue to integrate U.S. response to activity in the area, promote multilateral organizations to address China's growing power, and increase U.S. military presence in the area.

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## INTRODUCTION

Conflicting territorial claims in the South and East China Seas, exacerbated by the increasing need for resources by rising Southeast Asian nations, decrease regional stability and increase the likelihood of conflict between China and its neighbors. The risk of conflict with China will continue to be high as long as it is met by only bilateral opposition from weaker neighboring states. Further, China has become adept at expanding its influence through an integrated approach that combines instruments of national power while remaining short of provoking kinetic response. This paper analyzes the situations in the South and East China Seas, examines China's strategies and tactics in pursuit of their territorial claims, analyzes possible solutions through the diplomatic, information, military and economic (DIME) construct of instruments of national power, and recommends actions through which the United States can aid in maintaining peace and influence in the area while limiting China's illegitimate expansion without exacerbating U.S.-PRC relations in a manner that would result in kinetic action. Fundamentally, the United States must pursue an integrated approach to dealing with Chinese expansion. Any effort must be coordinated across all branches of government and must synergize the application of all instruments of national power.

This paper is organized into the following sections: a) an overview of the geographic area in question, and why it is important to the countries on its periphery, as well as, the United States; b) a discussion of the various claims of the parties involved, particularly China and its nine dashed line; c) a discussion of China's East China Sea dispute with Japan; d) an explanation of the various tactics China uses to work toward its goals in maritime territorial disputes; e) recommended actions the United States can take to

protect its interests in the region, while working to help peacefully resolve the issue; and  
f) a conclusion section.

The United States, and United States Pacific Command (USPACOM), must closely study the evolving situation in the western Pacific as China continues to develop into a regional power, and potentially a global power, in order to best position the United States to continue to pursue its national interests while maintaining stability. This will prove to be a difficult task as China's growth, both militarily and economically, will not only challenge America's primacy, but could also sway the allegiance of regional partners, which are the *sine qua non* of American influence in Southeast Asia and the South China Sea.

## THE SOUTH CHINA SEA

### Geography

The South China Sea is a body of water in the western Pacific Ocean located east of the Malay Peninsula, north of Indonesia, east of Vietnam, west of the Philippines, and south of the Taiwan Strait. It encompasses 1.4 million square miles of well-trafficked sea space and is a crucial sea-lane for the global economy.<sup>1</sup> The South China Sea is the location of hundreds of tiny landmasses, including islets, rocks, atolls, sandbars, and reefs<sup>2</sup>, grouped into the Spratly Islands, Paracel Islands, Pratas Islands, Macclesfield Bank, and Scarborough Shoal. It is important as a commercial and military Sea Line of Communication (SLOC), as well as for natural resource exploitation.

### Shipping

The South China Sea is important both globally, as a vital sea-lane for the movement of commercial goods and military shipping, and regionally, as a prolific fishing ground and a potential source of petroleum products. With the Strait of Malacca to the southwest, more than half of the tanker and merchant shipping in the world transits the South China Sea,<sup>3</sup> with an estimated value at over \$5 trillion.<sup>4</sup> U.S. shipping through the

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<sup>1</sup> Christopher L. Daniels, 2014, *South China Sea: Energy and Security Conflicts*, (Lanham, Maryland: The Scarecrow Press, Inc., 2014), 1.

<sup>2</sup> For ease of use, the author will generally refer to all masses within the South China Sea as islands. However, readers should note that each South China Sea feature might have a different legal definition. This is of particular importance regarding the Philippines' challenge of China's South China Sea claim in the Permanent Court of Arbitration, whose ruling characterized most features as rocks, which under UNCLOS are only provided a territorial sea, and some features underwater features, which cannot be utilized to claim territory at all. For additional explanation, See *Legal Grounds for Claims*.

<sup>3</sup> Raul Pedrozo, *China Versus Vietnam: An Analysis of Competing Claims in the South China Sea*, (Washington, D.C.: The Center For Naval Analysis, 2014), 1.

<sup>4</sup> George Galdorisi, "The South China Sea: The World's Most Important Body of Water?," *Asia Pacific Defense Reporter*, November, 2014, 32.

South China Sea is valued at \$1.2 trillion annually.<sup>5</sup> Further, the U.S. Energy Information Administration states, “almost a third of global crude oil and over half of global liquefied natural gas (LNG) passes through the South China Sea each year.”<sup>6</sup> Much of Southeast Asia’s energy supply is shipped through the South China Sea including 80 percent of China’s crude oil imports, 60 percent of Japan and Taiwan’s energy imports, and almost 70 percent of Korea’s energy imports.<sup>7</sup> Thus, it is clear that not only is the maintenance of this sea-lane vital to the region’s economy, but also that of the world, including the United States.

### **Access and Security**

The United States’ interest in the South China Sea is three-fold. The United States has an interest in ensuring unrestricted access to the South China Sea as a sea-lane. As discussed in the preceding paragraph, large quantities of goods bound for the United States originate from the countries in the region in addition to energy shipping. Beyond just commercial shipping, the United States has an interest in ensuring military shipping has unfettered access to the sea-lane. Not only does the U.S. Seventh Fleet frequent the waters of the South China Sea while conducting Freedom of Navigation Operations (FONOPS), in support maintaining the sea lane, but also military shipping from the west coast of the United States and Hawaii transits the South China Sea in order to access the Strait of Malacca en route to the Indian Ocean, Arabian Sea, and Arabian Gulf in support

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<sup>5</sup> Robert Willard, Press Briefing (Moana Surfrider Hotel, Honolulu, November, 13, 2011), <http://www.whitehouse.gov/the-press-office/2011/11/13/press-briefing-nsa-strategic-communications-ben-rhodes-and-admiral-rober>. As cited in, Patrick Cronin and Robert Kaplan, “Cooperation from Strength: U.S. Strategy and the South China Sea,” in *Cooperation from Strength: The United States, China, and the South China Sea*, (Washington, D.C.: Center for a New American Security, 2012), 7.

<sup>6</sup> U.S. Energy Information Administration, “The South China Sea is an Important World Energy Trade Route,” *Today in Energy*, April 4, 2013, <http://www.eia.gov/todayinenergy/detail.cfm?id=10671> (accessed September 3, 2016).

<sup>7</sup> Galdorisi, 32.

of ongoing operations in the Middle East. Disrupting the free flow of commercial goods or military shipping through the South China Sea due to instability, kinetic action between claimants, or area denial by China, would adversely affect the United States economically and militarily.

### **Natural Resources**

In addition to being an essential sea-lane, regionally, the South China Sea holds natural resources required by the growing economies of the nations on its borders. The energy reserves beneath the South China Sea are estimated to be at least 7 billion barrels of oil and over 250 trillion cubic feet of natural gas.<sup>8</sup> Chinese estimates place the oil reserves at 130 billion barrels, which, if true, would make the South China Sea the second most oil-rich area behind Saudi Arabia.<sup>9</sup> Additionally, as the nations in the region continue to develop, so does the South China Sea's importance as a source of food. Many of the nations in the region are limited in available arable land, either due to their insular geography, or due to terrain, requiring the peoples of the region to turn to the sea as a source of food. Additionally, the continued industrialization and urbanization of the countries of the region, combined with population growth, increases the need for food and thus, fishing pressure on the sea.<sup>10</sup> Therefore, the South China Sea is a vital resource upon which the developing nations of the region depend now, with regard to fisheries, and in the future, with regard to the exploitation of potential energy reserves. It is for these reasons that the South China Sea is the site of conflicting territorial claims.

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<sup>8</sup> Robert D. Kaplan, "The South China Sea is the Future of Conflict," *Foreign Policy*, October/November 2011, 76.

<sup>9</sup> Patrick M. Cronin and Robert D. Kaplan. "Cooperation from Strength: U.S. Strategy and the South China Sea," In *Cooperation from Strength: The United States, China, and the South China Sea*, by Patrick M. Cronin ed., 3-30, Washington, D.C.: Center for a New American Security, 2012, 9.

<sup>10</sup> Galdorisi, 33.

## **Claimants**

The South China Sea, or portions thereof, is claimed by seven countries: China, Taiwan, and Vietnam claim the large portions of water and associated landmasses, while Malaysia, the Philippines, Indonesia, and Brunei claim the islands near their primary landmass. Figure 1. depicts the various conflicting territorial claims of the South China Sea. Claims are primarily based upon historical and legal grounds, including the concept of “effective occupation,” which depends upon continuous and uninterrupted jurisdiction,<sup>11</sup> as well as the United Nations Convention on the Law of the Sea (UNCLOS). In addition, there are several intergovernmental organizations in the area, the primary of which is the Association of Southeast Asian Nations (ASEAN). ASEAN seeks to promote collaboration and pursue the peaceful resolution of conflicts among Southeast Asian nations.

### **China**

China claims historical rights to the large portions of the South China Sea, similarly to Taiwan and Vietnam. However, whereas Taiwan and Vietnam claim the islands and seas, China claims all of the resources in and under the sea including the seabed. The Chinese base their historical rights to the area upon a claim that they discovered the Spratly Islands during the Han dynasty Emperor Wudi’s reign (140-86 B.C.) and declared authority over them during the Song dynasty (420 A.D.) as a place for Chinese fishermen to rest. Additionally, the Spratly Islands were included in the Chinese naval defensive

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<sup>11</sup> Leszek Buszynski, “The South China Sea: Oil, Maritime Claims, and U.S.-China Strategic Rivalry,” *The Washington Quarterly*, Spring 2012, 140.



perimeter during the Ming Dynasty Emperor Chengzu's reign (1403-1425).<sup>12</sup> Further evidence of Chinese involvement in the Spratly Islands include records from a British survey ship that encountered Chinese fishermen on the Spratly Islands in 1867.<sup>13</sup> Finally, official maps created by the Kuomintang (KMT) government in 1947 (Figure 2.) depict an eleven-dashed line, within which all of the islands of the South China Sea are located.<sup>14</sup> In 2000, after Vietnam and China agreed to delimitation of the Gulf of Tonkin between Hainan Island Vietnam, China removed the first two dashes resulting in the creation of their currently claimed nine-dashed line (Figure 3.).<sup>15</sup> China claims the land, seabed, and all of the natural resources within the nine-dashed line as their sovereign territory. In 2009 and 2011 letters to the U.N. Secretary General, the Permanent Mission of the People's Republic of China stated:

China has indisputable sovereignty over the islands in the South China Sea and the adjacent waters, and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof.<sup>16</sup>

These letters essentially state that China claims sovereignty over the three island chains, Macclesfield Bank, and Scarborough Shoal, as well as claiming the entirety of the South China Sea as an Exclusive Economic Zone (EEZ). As defined in Articles 55 through 57

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<sup>12</sup> Maria Hsia Chang, "Chinese Irredentist Nationalism: The magician's last trick," *Comparative Strategy*, 1998, 91.

<sup>13</sup> Daniels, 4.

<sup>14</sup> Steven Groves and Dean Cheng, "A National Strategy for the South China Sea," *Backgrounder* (The Heritage Foundation) No. 2908 (2014), 3.

<sup>15</sup> U.S. Department of State: Bureau of Oceans and International Environmental and Scientific Affairs, *Limits in the Seas: China: Maritime Claims in the South China Seas*, Washington, D.C.: U.S. Department of State, 2014, 3.

<sup>16</sup> Permanent Mission of the People's Republic of China to the United Nations, letter to Ban Ki-moon, May 7, 2009,

[http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mysvnm33\\_09/chn\\_2009\\_re\\_mys\\_vnm\\_e.pdf](http://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/chn_2009_re_mys_vnm_e.pdf) (accessed October 10, 2016); Permanent Mission of the People's Republic of China to the United Nations, Letter to Ban Ki-moon, April 14, 2011, [http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mysvnm33\\_09/chn\\_2011\\_re\\_phl\\_e.pdf](http://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/chn_2011_re_phl_e.pdf) (accessed October 10, 2016).

of the U.N. Convention on the Law of the Sea, an EEZ is an area beyond and adjacent to the territorial sea, the breadth of which is not to exceed 200 nautical miles, and within which a state has:

sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the waters superjacent to the seabed and of the seabed and its subsoil, and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds.<sup>17</sup>

The nine-dashed line claim extends China's claimed EEZ well south beyond what it would be as defined from China's natural baseline by UNCLOS, and impinges upon the EEZs of Taiwan, the Philippines, Brunei, Malaysia, Indonesia, and Vietnam.

## **Taiwan**

Taiwan's claim to the South China Sea is the same as China's as to land features and waters and is based upon the same eleven-dashed line depicted upon the official KMT maps from 1947 (Figure 2.), but does not include claim to the seabed and all natural resources below it. Taiwan has maintained a garrison on Itu Aba in the Spratly Islands since 1956.<sup>18</sup> Though Taiwan would benefit from canceling its claim to the eleven-dashed line and pursuing joint-development of the resources in the South China Sea, surely such an action would inflame an already tense relationship with China. Additionally, Taiwan cannot enforce any claim in the South China Sea, as Taiwan prioritizes its military spending toward defending itself from an invasion from possible PRC efforts toward reunification.<sup>19</sup>

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<sup>17</sup> UNCLOS, art. 55-57.

<sup>18</sup> M. Taylor Fravel, "Maritime Security in the South China Sea and the Competition Over Maritime Rights," in *Cooperation from Strength: The United States, China, and the South China Sea*, (Washington, D.C.: Center for a New American Security, 2012), 35.

<sup>19</sup> Daniels, 4.

## **Vietnam**

Like China and Taiwan, Vietnam claims a large portion of the South China Sea. Similarly, Vietnam bases its claim upon historical record. The Vietnamese claim includes a large part of the Spratly Islands as well as the entirety of the Paracel Islands, which it refers to as Khanh Hoa Province, and Truong Sa respectively.<sup>20</sup> Vietnam claims to have sent naval forces to the Paracel Islands as early as 1816. Official documents from King Minh Mang's reign in the 1830s demonstrate historical evidence of Vietnam's claimed ownership of the Spratly and Paracel Islands.<sup>21</sup>

## **Malaysia**

Malaysia claims only a portion of the Spratly Islands. It maintains a small naval presence, a runway, and a scuba diving resort on Swallow Reef. Malaysia has sought diplomatic resolution and joint development of the resources in the region as a resolution to the regional conflict.<sup>22</sup>

## **Philippines**

The Philippines claim covers a section of the Spratly Islands including eight islands upon which it has maintained a military presence since the 1950s. The Philippines trace their claim to Thomas Cloma, who took ownership of the islands following the San Francisco Peace Conference in 1951. In 1978, the Philippine government claimed the islands after Cloma transferred ownership to the government.<sup>23</sup>

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<sup>20</sup> Daniels, 5; National Boundary Commission - Vietnamese Ministry of Foreign Affairs, *Bien Gioi Lanh Tho - Vietnam's Sovereign Boundaries*, October 13, 2013, <http://123.30.50.199/sites/en/evidenceaboutvietnam-ssovereigntyoverhoang-gid-engbd569-nd-eng22fd7.aspx> (accessed October 10, 2016).

<sup>21</sup> National Boundary Commission - Vietnamese Ministry of Foreign Affairs.

<sup>22</sup> Daniels, 5.

<sup>23</sup> Ibid, 5.

## **Indonesia**

Unlike some of the other states in the South China Sea, Indonesia is only attempting to protect its EEZ around established boundaries near the Natuna Islands, located east of Malaysia, which conflicts with China's nine-dashed line claim.<sup>24</sup>

## **Brunei**

Like Indonesia, Brunei is attempting to protect its established EEZ. One of the smallest countries which lays claim to a portion of the South China Sea, oil and natural gas account for 90 percent of Brunei's exports. The potential energy deposits below the South China Sea account for its desire to maintain its claim and protect its established EEZ.<sup>25</sup>

## **ASEAN**

In addition to the nations involved in the South China Sea dispute the Association of Southeast Asian Nations (ASEAN) is another entity that is essential to the discussion. ASEAN was founded in 1967 to resolve regional economic, social, and cultural issues through intergovernmental cooperation among its members. All of the South China Sea claimants are members of ASEAN with the exceptions of China and Taiwan.<sup>26</sup> ASEAN serves as a potential consolidated diplomatic front against China's excessive maritime claims in the South China Sea. In 2002, ASEAN and China agreed to a Declaration of Conduct (DOC) in the South China Sea. The DOC reaffirms the parties' commitments to the United Nations Convention on the Law of the Sea (UNCLOS) and a peaceful resolution to the territorial disputes. Though the DOC lacks enforcement, it is significant

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<sup>24</sup> Daniels, 6.

<sup>25</sup> Ibid, 6.

<sup>26</sup> ASEAN, *Association of Southeast Asian Nations Website*, <http://asean.org>, (last accessed October 10, 2016).

as the first multilateral agreement China has been party to regarding the South China Sea. Prior to the DOC, China had only participated in bilateral agreements. In 2011, China and ASEAN agreed to guidelines for the implementation of the 2002 DOC.<sup>27</sup> These agreements highlight the importance of ASEAN as a multilateral forum to address China's South China Sea claim.

### **Legal Grounds for Claims**

There are two primary legal grounds for claims of the various islands in the South China Sea. The first is the concept of "effective occupation" and the second is through the UNCLOS. Effective occupation deals with a country's ability to provide governance or control of an area in order to establish sovereignty.<sup>28</sup> This concept has led to a number of states to occupy features in the South China Sea in order to attempt to both physically and legally establish control. The Philippines occupies eight Spratly Island features (reefs, rocks, islets, etc.); China seven; Malaysia five; Taiwan one; and Vietnam occupies 27 features in the Paracel Islands. The first feature to be occupied was Itu Aba, by Taiwan in 1956 and the last was occupied by Vietnam in 1999.<sup>29</sup>

The desire to establish sovereignty over the features in the South China Sea stems in large part from a pursuit of maritime rights, which would allow the exploitation of the natural resources of the area. UNCLOS establishes three zones around a nation's coastline: territorial waters (to 12 nautical miles)<sup>30</sup>, contiguous waters (to 24 nautical

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<sup>27</sup> Fravel, "Maritime Security in the South China Sea and the Competition Over Maritime Rights," 44.

<sup>28</sup> *Ibid.*, 2.

<sup>29</sup> *Ibid.*, 34.

<sup>30</sup> UNCLOS, Part II.

miles)<sup>31</sup>, and the exclusive economic zone (to 200 nautical miles)<sup>32</sup>. Within the EEZ, a state may exploit the natural resources located therein.<sup>33</sup> In the case of the South China Sea, this would primarily include the oil, natural gas, and fisheries.

Several states in the region stake their EEZ claims in the South China Sea from their natural baseline coasts, or in the case of Indonesia, from its Natuna Island. However, China's claim is based upon its declared nine-dashed line and upon the 2009 and 2011 letters from the Permanent Mission of the People's Republic of China to the United Nations. The language used in the 2009 and 2011 letters from the Permanent Mission of the People's Republic of China to the United Nations regarding China's claim in the South China Sea mirrors the UNCLOS language used to describe an EEZ.<sup>34</sup>

In 2013, the Philippines challenged China's claims in the South China Sea at The Hague's Permanent Court of Arbitration (PCA) under UNCLOS. The challenge included fifteen specific requests under four primary categories. First, the Philippines challenged China's claim of historical rights to the South China Sea within the nine-dashed line; second, clarification was requested regarding the classification of the features within the South China Sea as islands, rocks, low-tide elevations, or submerged banks; third, whether Chinese actions in the South China Sea have interfered with the sovereign rights of the Republic of the Philippines; and fourth, a determination as to whether actions taken by China, including its large-scale land reclamation efforts have aggravated the dispute. The findings, released in July 2016, concluded, in summary, the following: 1) China's

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<sup>31</sup> UNCLOS, Part II.

<sup>32</sup> UNCLOS, Part V.

<sup>33</sup> UNCLOS, Part V.

<sup>34</sup> Permanent Mission of the People's Republic of China to the United Nations, 2009; Permanent Mission of the People's Republic of China to the United Nations, 2011.

claim to the area within the nine-dashed line, beyond its natural EEZ, based upon historic rights is unfounded, 2) the high-tide features within in the South China Sea are legally considered “rocks” and therefore not entitled to an EEZ or continental shelf claim, only a territorial sea,<sup>35</sup> and Mischief Reef, Second Thomas Shoal, and Reed Bank are submerged at high tide, not entitled to a territorial sea and therefore located within the Philippines EEZ, 3) China has interfered with the Philippines sovereign rights with respect to the exploitation of maritime resources at Mischief Reef, Second Thomas Shoal and Reed Bank, 4) China had aggravated the dispute between the two countries after the request for arbitration was submitted.<sup>36</sup> While the findings clearly favor the Philippines and dismiss China’s excessive claim, there is no mechanism to enforce the ruling and unsurprisingly, China has rejected the legality of the PCA’s ruling by characterizing the dispute as a land sovereignty issue in which UNCLOS does not apply.<sup>37</sup>

### **China’s Goals in the South China Sea**

China’s recent exponential growth combined with a desire to increase its regional and global influence have shaped its evolving actions with respect to the South China Sea. However, China’s interests in the region have remained consistent: 1) assert China’s sovereignty over what it considers its historical territory, 2) secure access to exploit the maritime resources within what it considers its historical territory, and 3) ensure vital sea

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<sup>35</sup> Regarding the categorization of the features within the South China Sea, the PCA considered the features in their natural state, not as modified by many countries via land reclamation projects. The PCA determined that the features would not be capable of sustaining a stable community of people and therefore were considered rocks.

<sup>36</sup> Permanent Court of Arbitration, “The South China Sea Arbitration: The Republic of the Philippines v. The People’s Republic of China,” Press Release, 2016.

<sup>37</sup> Jane Perlez, “Tribunal Rejects China’s Claims in South China Sea,” *New York Times*, July 12, 2016.

lines of communication through the South China Sea are secure for the movement of Chinese goods.<sup>38</sup> China pursues its South China Sea interests via policies that support a strategy of delay and serve the ultimate goal of establishing a Chinese EEZ within the nine-dashed line.

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<sup>38</sup> Ian Storey, “China’s Bilateral and Multilateral Diplomacy in the South China Sea,” in *Cooperation from Strength: The United States, China, and the South China Sea*, (Washington, D.C.: Center for a New American Security, 2012), 51.



## **THE EAST CHINA SEA: SINO-JAPANESE DISPUTE OVER THE SENKAKU ISLANDS**

The South China Sea is one of several territorial disputes China has with its neighbors. In the East China Sea, China has a conflicting claim with Japan over the Senkaku Islands (Figure 4.). Analyzing the situation in the East China Sea serves as a useful case study for determining a way forward. While the two situations are similar, the role of the United States' relationship with Japan illustrates a crucial difference.

### **History**

The Senkaku Islands are a small group of five islands and three rocky outcrops located west of Okinawa and northeast of Taiwan. China claims to have discovered the islands during the Ming dynasty in 1403<sup>1</sup> and placed them under the jurisdiction of Taiwan during the Qing dynasty.<sup>2</sup> Japan claims to have discovered the islands, uninhabited, in 1884 and formally incorporated the islands into the Okinawa Prefecture in 1895.<sup>3</sup> Subsequently, Japan allowed a businessman to use the islands for the production of bonito flakes, a Japanese food staple.<sup>4</sup> Additional commercial goods that were harvested from the islands included bird feathers and guano. In support of the business ventures on the islands, Japanese nationals built docks, reservoirs, and warehouses.<sup>5</sup>

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<sup>1</sup> Jean-Marc F. Blanchard, "The U.S. Role in the Sino-Japanese Dispute over the Diayu (Senkaku) Islands 1945-1971," *The China Quarterly*, March 2000, 101.

<sup>2</sup> Tetsuo Kotani, "The Senkaku Islands and the U.S.-Japan Alliance: Future Implications for the Asia-Pacific," *Project 2049*, March 13, 2013, 1. [http://project2049.net/documents/senkaku\\_kotani.pdf](http://project2049.net/documents/senkaku_kotani.pdf) (accessed September 6, 2016).

<sup>3</sup> Blanchard, 102.

<sup>4</sup> Kotani, 2.

<sup>5</sup> Blanchard, 103.

Hundreds of Japanese nationals inhabited the islands until the end of World War II. In 1951, the United States took control of the islands, following the San Francisco Peace Treaty, and administered the Senkaku Islands as part of the Ryukyu Island Chain.<sup>6</sup> While under United States control, one of the islands was utilized by the U.S. Navy for a firing range, for which the United States paid \$11,000 in rent annually to the Japanese family that first settled the islands. In 1968, The United Nations Commission for Asia and the Far East issued a report that indicated there might be oil and natural gas deposits beneath the East China Sea in the vicinity of the islands. The United States returned the islands with the remainder of the Ryukyu Island Chain to Japan in 1971, though it continued the use as a firing range until 1978.<sup>7</sup>

### **Conflicting Claims**

While both China and Japan have claimed the Senkaku Islands, China has only asserted its claim since release of the 1968 UN report indicating the possibility of energy deposits beneath the East China Sea. Since 1970, China claims that the Senkaku Islands were ceded to Japan as part of Taiwan in 1895, following the Sino-Japanese War, under the Treaty of Shimonoseki and contends that they should have been returned in 1943 when the treaty was reversed. Additionally, China views the Senkaku Islands as part of Taiwan and as such, the islands should have been released back to China when Japan renounced claim to Taiwan as part of the San Francisco Peace Treaty in 1951.<sup>8</sup> The only treaty that

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<sup>6</sup> Kotani, 2.

<sup>7</sup> Blanchard, 97.

<sup>8</sup> Ralf, Emmers, *Geopolitics and Maritime Territorial Disputes in East Asia*, London: Routledge, 2009, 49.

explicitly names the Senkaku Islands is by name is the 1971 Okinawa Reversion Treaty, which only provides “powers of administration, legislation, and jurisdiction,” to Japan, but does not specify sovereignty.<sup>9</sup> As China and Japan began to normalize relations in the 1970s in order to balance the threat of the Soviet Union, China agreed to defer resolution of the dispute and the issue remained dormant until the 1990s.<sup>10</sup>

The fall of the Soviet Union, combined with the start of China’s rise, and Japan’s relative decline, signaled the reemergence of the Senkaku Islands issue. In 1996, Japan ratified UNCLOS and declared an EEZ using the Senkaku Islands as a baseline.<sup>11</sup> Between the mid-1990s and 2010, tension regarding the Senkaku Islands ebbed and flowed, with both China and Japan sending civilian and military vessels through the area. In 2012, tensions flared again when Japan nationalized several of the islands, having purchased them from a private Japanese owner for \$30 million. China responded to the transaction by sending two of its maritime law enforcement ships to the area in a show of defiance, while Japan claimed it had purchased the islands in an effort to prevent escalation of the dispute with China, after learning the mayor of Tokyo had plans to purchase the islands and develop them privately.<sup>12</sup>

### **China’s Motivation in the Dispute**

Similar to the dispute in the South China Sea, China’s interests in the Senkaku Islands are threefold: historical rights serving greater nationalism, economic exploitation, and

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<sup>9</sup> U.S. Government, Treaty on Reversion to Japan of the Ryuku and Daito Islands, June 17, 1971.

<sup>10</sup> Emmers, 52.

<sup>11</sup> Ibid, 52.

<sup>12</sup> Jane Perlez, "China Accuses Japan of Stealing After Purchase of Group of Disputed Islands," *New York Times*, September 11, 2012.

security. Chinese irredentism is compounded by a rise in nationalism founded in China's exponential economic growth, a campaign for nationalism started by the Chinese Communist Party following the student protests in Tiananmen Square in 1989, and a sense of national humiliation at the hands of the western powers in the 19<sup>th</sup> and 20<sup>th</sup> centuries.<sup>13</sup> While nationalism can serve to support a government and unite a country, it can also reduce political flexibility. When faced with a national movement over an international dispute, a government has to choose between consolidating power internally by supporting the movement, which may result in external conflict, or attempting to placate the external competitors and appearing weak before its people and enemies. The student protests in Tiananmen Square caused the Chinese government concern with regard to the maintenance of internal security. The government chose to address concerns over internal security by fostering nationalism among the people, which has now left the Chinese government little room for negotiation with respect to the Senkaku Islands.

China's growth combined with a concern for energy security have caused it to pursue local energy sources. Increasingly, China has depended upon foreign oil imports. In 2010, 55 percent of Chinese oil consumption came from foreign oil, up from 52 percent in 2009.<sup>14</sup> Chinese oil consumption numbers have continued to increase in the intervening years, surpassing 60 percent in 2013 and reaching 64 percent in 2015.<sup>15</sup> At

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<sup>13</sup> Maria Hsia Chang, "Chinese Irredentist Nationalism: The magician's last trick," *Comparative Strategy*, 1998, 84-86.

<sup>14</sup> Ian Storey, "China's Bilateral and Multilateral Diplomacy in the South China Sea," in *Cooperation from Strength: The United States, China, and the South China Sea*, (Washington, D.C.: Center for a New American Security, 2012), 55.

<sup>15</sup> BP, "Statistical Review of World Energy," 2016, 9.

current production rates, Chinese energy reserves will only last 11.7 years making the search for a local energy source all the more important.<sup>16</sup> China is not only concerned about its ability to procure sufficient volumes of oil to meet its needs, but also about the physical security of the transportation routes against attack. Chinese foreign oil imports are shipped via overland pipeline from western Asia or via ship through the Strait of Malacca, both of which are routes that are vulnerable to disruption, natural or manmade.<sup>17</sup> As China continues to develop into a regional power and potentially a global power, its energy requirements will increase, and it will need to continue to search for sources of energy that are both abundant and secure.

Control of the Senkaku Islands would provide China the ability to protect its sea lines of communication in the East China Sea. From a Chinese perspective, the U.S. alliance system from Japan to Taiwan to the Philippines poses a potential threat to its economic survival through interdiction.<sup>18</sup> Similarly to the South China Sea, by controlling the Senkaku Islands China could operate a buffer zone within which it could operate on interior sea lines of communication away from external threat.

### **U.S. Role in the Senkaku Dispute**

The U.S. role in the Senkaku Island dispute provides a distinct difference from that of the islands in the South China Sea. The presence of a large U.S. military force in Japan, on the main island Honshu, as well as the Ryukyuan Island, Okinawa, must be taken into

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<sup>16</sup> Ibid, 9.

<sup>17</sup> Will Rogers, "The Role of Natural Resources in the South China Sea," *Cooperation from Strength: The United States, China, and the South China Sea*, (Washington, D.C.: Center for a New American Security, 2012), 87.

<sup>18</sup> Bradford John Davis, "Opportunities in Understanding China's Approach to the Senkaku/Daiouyu Islands," *Joint Forces Quarterly*, 4th Quarter 2014, 55.

account in any discussion of the Senkaku Island dispute. Additionally, The U.S.-Japan mutual defense treaty surely plays into China's calculus when addressing the Senkaku Island dispute. While the U.S. avoided making any declaration of sovereignty with respect to the Senkaku Islands in 1972, in 2014 while visiting Japan, President Obama became the first sitting U.S. president to declare the Senkaku Islands are covered under Article 5 of the U.S.-Japan Mutual Defense Treaty, though he did not take a stance on the issue of sovereignty.<sup>19</sup> The presence of the world's sole superpower adjacent Japan on the Senkaku Island dispute could either temper Chinese action in the area, or serve to embolden the Japanese to provoke tensions with China.

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<sup>19</sup> The White House, Office of the Press Secretary, "Joint Press Conference with President Obama and Prime Minister Abe of Japan," *Press Release*, April 24, 2014.

## CHINESE STRATEGY IN MARITIME DISPUTES

### From Restraint to Aggression – China's varying policies

Zhou Fangyin describes how China's policies, in pursuit of its South China Sea interests, have evolved through four stages since 2010. During the first stage, which was characterized by keeping a low profile, China shelved disputes and sought common development.<sup>1</sup> This stage enabled China to maintain positive relationships with ASEAN and its member nations. One example of action during this stage was the 2011 agreement between ASEAN and China on the guidance for implementation of the 2002 DOC. The second stage of in the evolution of China's South China Sea policy was characterized by the prioritization of China's sovereignty claims over regional stability, as a result of rising tension in the area. This stage marked the beginning of China's assertiveness in the South China Sea.<sup>2</sup> The primary example of the second stage was the 2012 standoff with the Philippines regarding Scarborough Shoal, during which China took control of the shoal. The standoff culminated with the Chinese erecting a chain barrier across the entrance to the shoal to prevent Philippine access. The success of the second stage reinforced China's confidence in the ability to coerce the other claimants in the South China Sea and boosted Chinese nationalism on the heels of this victory. The third stage saw the combination of the first and second stages, in which China had a variety of options ranging between restraint and assertiveness to address South China Sea disputes.<sup>3</sup>

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<sup>1</sup> Zhou Fangyin, "Between Assertiveness and Self-restraint: Understanding China's South China Sea Policy," *International Affairs*, 2016, 874.

<sup>2</sup> Ibid, 875.

<sup>3</sup> Ibid, 876.

During the fourth stage, China once again adopted a more restrained approach to South China Sea disputes, instead focusing on regional development. However, it did accelerate its land reclamation projects during 2014 and 2015.<sup>4</sup> Fangyin's four stages of Chinese policy in the South China Sea indicate an evolution during which China has demonstrated its resolve to assert itself when it thinks its sovereignty is at risk. The assertiveness of stage two has established China's deterrence in the region and, if effective, will serve as a backdrop to future discussion with the other claimants.

### **Cooperation, Escalation, and Delay**

China's policy shifts, while simultaneously pursuing aggressive land reclamation projects, support its strategy of delay. M. Taylor Fravel contends that a nation in a territorial dispute can pursue one of three strategies to address its claims: cooperation, escalation, or delay.<sup>5</sup> While China, at times, has demonstrated what appears to be cooperation, evidenced by the 2002 DOC and escalation during the Scarborough Shoal incident in 2012, its long-term strategy has been one of delay. Pursuit of a delaying strategy allows a state to consolidate its claim, strengthen its control of the area in dispute, and allows a weaker state time to develop its military strength.<sup>6</sup> All three of these characteristics are evident in how China deals with the South China Sea. China's aggressive land reclamation projects in the South China Sea strengthen its control of the area in dispute by increasing its ability to station and support military capability throughout the area. As of 2015, China had reclaimed over 2,900 acres of land, which

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<sup>4</sup> Ibid, 876.

<sup>5</sup> M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia*, 2011, 296.

<sup>6</sup> Ibid, 297.



accounts for 95 percent of the reclaimed land in the Spratly Islands. Simultaneously, China has developed the largest navy in Asia consisting of over 300 surface ships, submarines, amphibious ships, and patrol craft, in addition to 205 maritime law enforcement vessels.<sup>7</sup> Additionally, China combines passive-aggressive, coercive economic measures to its strategy of delay in order to indicate displeasure with the actions of its neighbors. Had China pursued a strategy of cooperation, it would not have been able to achieve its current position. Similarly, a strategy of escalation would have potentially resulted in kinetic activity between China and its neighbors in the region prior to the development of sufficient Chinese military strength and might have provoked a response from the United States.

### **Trade as Power**

As China continues to develop, it has learned to utilize economic influence as a coercive means of influencing the behavior of its neighbors. Chinese economic coercion was initially observed during the Hu Jintao era (2002-2008) with respect to nations that welcomed visits from the Dalai Lama, the exiled Tibetan spiritual leader.<sup>8</sup> In 2010, China inflicted coercive economic measures upon Japan in order to influence the Senkaku Island dispute, and in 2012, China restricted produce trade and tourism trade with the Republic of the Philippines in order to affect the dispute over Scarborough Shoal.<sup>9</sup> Its unbalanced trade with the countries with which it has maritime territorial

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<sup>7</sup> U.S. Department of Defense, *The Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment*, Washington, D.C.: U.S. Department of Defense, 2012, 16.

<sup>8</sup> Andreas Fuchs and Nils-Hendrik Klann, *Paying a Visit: The Dalai Lama Effect on International Trade*, Goettingen, Germany: Center for European Development and Economic Research, 2011, 26.

<sup>9</sup> Bonnie S. Glaser, "China's Coercive Economic Strategy: A New and Worrying Trend," *PacNet*, July 23, 2012, 1.

disputes bolsters the trend of economic coercion by China, and as the Chinese economy continues to grow and China develops international funding organizations as alternatives to the International Monetary Fund, China's ability to use coercive economic measures will increase in scope and power.

China's economic assertiveness has increased since 2002 when Hu Jintao became President of the People's Republic of China and General Secretary of the Chinese Communist Party. A 2011 study of Chinese trade impacts to nations following leadership meetings with the Dalai Lama, by Andreas Fuchs and Nils Hendrik Klann, indicated a reduction in importation of goods by China from a country following a visit from the Dalai Lama.<sup>10</sup> As the Dalai Lama is the exiled leader of Tibet, the Chinese view of his meetings with world leaders is one of foreign nations interfering with Chinese internal affairs. Since 2002, China has shown a trend of decreasing purchases of goods from countries whose leaders meet with the Dalai Lama by up to 16.9 percent following a meeting. Fuchs and Klann found that the negative trade effects of Dalai Lama visits generally dissipated by the two-year point following a meeting, which further points toward China's use of trade as a coercive measure to indicate displeasure.<sup>11</sup> Chinese propensity and ability to apply "carrot and stick" economics as a means to influence the action of other countries will only increase as their economy grows.

In 2010, after Japan detained the captain of a Chinese fishing vessel for fishing near the Senkaku Islands in the East China Sea, China ceased the sale of rare earth minerals to Japan.<sup>12</sup> China produces 90 percent of the world's supply of rare earth minerals, which

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<sup>10</sup> Fuchs and Klann, 17.

<sup>11</sup> Ibid, 27.

<sup>12</sup> Glaser, 1.

are used in batteries and electronics, and are a major supply staple of the Japanese economy. Further, 90 percent of Japan's rare earth mineral imports in 2010 came from China.<sup>13</sup> Bonnie Glaser hypothesizes that Japan's decision to release the Chinese fishing boat captain was largely influenced by China's economic action to restrict the exportation of rare earth minerals.<sup>14</sup> Japan's realization of the impact of a Chinese ban on rare earth mineral exports has caused it to look into importing up to 50 percent of its rare earth mineral supply from elsewhere.<sup>15</sup>

A third example of Chinese economic coercion occurred in 2012 during the Scarborough Shoal incident with the Republic of the Philippines, in which China quarantined shipments of bananas from the Philippines under the guise of pest infestation.<sup>16</sup> As the consumer of 30 percent of Filipino banana exports, China demonstrated its ability to adversely affect the economy of its neighbors with speed and ease.<sup>17</sup> Further, impact to the Philippines' banana trade is both an economic issue as well as a security issue. The island of Mindanao, the source of a majority of Filipino bananas,<sup>18</sup> has been the center of a counterinsurgency operation against Marxist guerillas of the New Peoples' Army since the 1980s and some residents of the island credit banana-fueled economic growth as contributing to its current stability.<sup>19</sup> Thus, while the

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<sup>13</sup> Kaori Kaneko, "Japan Aims for Half of Rare Earth Supplies from Outside of China," *Reuters*, November 12, 2012, <http://www.reuters.com/article/japan-india-idUSL3E8MC1QL20121112> (accessed November 27, 2016).

<sup>14</sup> Glaser, 1.

<sup>15</sup> Kaneko.

<sup>16</sup> Andrew Higgins, "In Philippines, Banana Growers Feel Effect of South China Sea Dispute," *Washington Post*, June 10, 2012.

<sup>17</sup> Glaser, 1.

<sup>18</sup> Reynan P. Calderon, and Agnes C. Rola, *Assessing the Benefits and Costs of Commercial Banana Production in the Philippines*, Laguna, Philippines: Institute of Strategic Plans and Policy Studies, University of the Philippines Los Banos, 2003, 3.

<sup>19</sup> Higgins.

banana only accounts for 7 percent of total Filipino agricultural production,<sup>20</sup> adverse impacts to the banana trade can have implications for security as well as the Filipino economy.

China's continued economic growth will expand its capability to use coercive economic measure to influence its trading partners, particularly as its South China Sea neighbors become increasingly dependent upon China for trade. As of 2015, China accounted for 15.4 percent (\$349 billion) of total ASEAN trade and was the largest non-ASEAN trading partner for the bloc.<sup>21</sup> Conversely, ASEAN only accounts for 10.7 percent (\$492 billion) of total Chinese trade.<sup>22</sup> Additionally, as of 2013, ASEAN had a \$97 billion trade deficit with China indicating an outflow of ASEAN currency to China.<sup>23</sup> Similarly, in 2015 Japan had a \$50 billion trade deficit with China and Chinese goods accounted for 27 percent of imports to Japan.<sup>24</sup> Unless the nations that have ongoing maritime territorial disputes with China can reverse their economic dependence upon China or develop alternate trade sources, China will continue to be able to strong-arm competitor nations through economic coercion.

China is expanding its economic influence through the development of an alternate international funding source to the U.S. dominated International Monetary Fund (IMF),

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<sup>20</sup> Calderon and Rola, 2.

<sup>21</sup> ASEAN, "Top Ten ASEAN Trade Partner Countries/Regions 2015," *Association of Southeast Asian Nations Website*. November 2016, [http://asean.org/storage/2016/06/Table20\\_as-of-20Nov2016.pdf](http://asean.org/storage/2016/06/Table20_as-of-20Nov2016.pdf) (accessed November 27, 2016).

<sup>22</sup> Nargiza Salidjanova and Iacob Koch-Weser, *China's Economic Ties with ASEAN: A Country by Country Analysis*, Staff Research Report, Washington, D.C.: U.S.-China Economic Security Review Commission, 2015, 3.

<sup>23</sup> ASEAN, "ASEAN Trade by Partner Countries/Regions 2015," *Association of Southeast Asian Nations Website*, November 2016, [http://asean.org/storage/2016/06/Table24\\_as-of-20Nov2016.pdf](http://asean.org/storage/2016/06/Table24_as-of-20Nov2016.pdf) (accessed November 27, 2016).

<sup>24</sup> Michigan State Broad College of Business, *Global Edge: Japan Trade Statistics*, 2015, <http://globaledge.msu.edu/countries/japan/tradestats/> (accessed November 27, 2016).

which will allow China to consolidate additional economic power and expand its use of coercive economic measures while simultaneously reducing the influence of U.S. economic investment. The Asian Infrastructure Investment Bank (AIIB), founded by China, is targeted at providing loans for improving infrastructure in developing countries.<sup>25</sup> Not only does the AIIB provide an alternative to the IMF, through the improvement of infrastructure, but its goals align with China's plan for the development of overland and sea-based trade routes toward western Asia and Europe. All ten of the ASEAN nations have joined the AIIB as founding members.<sup>26</sup> Unlike the U.S. controlled IMF, the AIIB is controlled by China and has less restrictive free-market trade or environmental requirements, making it potentially more attractive for developing countries.<sup>27</sup> By creating alternative funding sources such as the AIIB, China both increases its economic influence over those countries that take loans, while simultaneously decreasing that of the U.S. by dissolving the U.S. influence on international development loans.

China has demonstrated a propensity to punish nations with whom it disagrees through economic coercion. As the Chinese economy continues to grow and the China controlled AIIB offers development loans with fewer moral strings than the U.S.-influenced IMF, China will continue to consolidate and expand its economic power. China will then be able to harness that economic power to influence the nations it has territorial disputes with. As the ASEAN nations become more and more economically

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<sup>25</sup> Sue-Lin Wong, "China Launches New AIIB Development Bank as Power Balance Shifts," *Reuters*, January 17, 2016, <http://www.reuters.com/article/us-asia-aiib-investment-idUSKCN0UU03Y> (accessed November 27, 2016).

<sup>26</sup> Shannon Tiezzi, "China's AIIB: The Final Tally," *The Diplomat*. April 17, 2015, <http://thediplomat.com/2015/04/chinas-aiib-the-final-tally/> (accessed November 27, 2016).

<sup>27</sup> Wong.

tied to China, their desire to pursue territorial claims against China may wane under threat of adverse economic impact.

### **Growing Military Strength**

China's economic growth has allowed it to greatly expand investment in military strength. From a security perspective, while China has been predominantly a continental focused military power, it has recently invested in technology that threatens U.S. access to the region via the sea. The development of anti-access and area-denial (A2AD) weapons systems not only directly threatens the ability of the U.S. military to operate in the South and East China Seas, but also threatens American security guarantees to U.S. allies in the region. Delegitimizing American security guarantees would force traditional American allies in the region to turn toward China for security, as most Southeast Asian nations lack sufficient military strength for external defense.

While China continues to lack the ability to project large-scale offensive power beyond the Western Pacific, it has developed missile-based systems that could threaten U.S. freedom of action in the region. Aaron Friedberg contends that Chinese development of relatively cheap conventional missile systems that can target U.S. bases in Japan, Singapore, and Korea, in addition to naval vessels and aircraft operating in the area, will test the resolve of nations with whom the U.S. has security guarantees.<sup>28</sup> The ability of the United States to base forces in the Western Pacific relies upon faith in the strength of the U.S. military to come to the aid of those nations it has promised to protect. As China develops capability targeted at preventing U.S. access to the area, those nations

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<sup>28</sup> Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia*, New York, NY: W.W. Norton and Company, 2011, 216.

whose security is guaranteed by the U.S. may lose faith in the U.S. military's ability to provide for their security and be forced to turn toward China. Additionally, as those nations continue to become economically reliant upon China, they may see the benefit, both economically and militarily, in aligning with a local power vice relying upon a nation that is literally half a world away.

### **The Three Warfares**

In 2003, the Chinese Communist Party Central Committee and the Central Military Commission endorsed a new concept entitled, "The Three Warfares," in which psychological, media, and legal warfare are tools used to influence struggle with an adversary.<sup>29</sup> Dean Cheng asserts that the Three Warfares influence conflict by bolstering domestic support, degrading adversary popular support for leadership, and influencing third parties.<sup>30</sup> The target audiences of the Three Warfares are: domestic public opinion, foreign public opinion, and foreign leaders, specifically the United States and South China Sea claimants.<sup>31</sup>

Psychological warfare targets the decision-making of the adversary through diplomatic pressure, false narratives, and harassment to express displeasure and assert power.<sup>32</sup> Psychological warfare embraces the concept that the adversary's mind is the enemy center of gravity and attempts to achieve effect through targeting foreign leaders

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<sup>29</sup> Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2011*, Washington, D.C.: U.S. Department of Defense, 2011, 26.

<sup>30</sup> Dean Cheng, "The U.S. Needs an Integrated Approach to Counter China's Anti-Access/Area Denial Strategy," *Backgrounder* (The Heritage Foundation) No. 2927 (July 2014).

<sup>31</sup> Stefan Halper, *China: The Three Warfares*, Report for Director, Office of Net Assessments, Washington D.C.: U.S. Department of Defense, May 2013, 14.

<sup>32</sup> *Ibid*, 12.

and both foreign and domestic populations.<sup>33</sup> Two examples of China's application of psychological warfare are the previously discussed ban on importation of Filipino bananas and the exportation ban on rare earth elements to Japan.

The second of the Three Warfares, media warfare, aims to shape domestic and foreign popular opinion through ongoing television, newspaper, and social media campaigns. Media warfare is one of the domains through which China conducts psychological and legal warfare. The themes of media warfare are foreign lack of respect for Chinese domestic law, and the U.S., Vietnam, the Philippines, and Japan are at fault for incidents and incursions in and above the South and East China Seas.<sup>34</sup>

Finally, legal warfare, utilizes various legal systems to gain political objectives. The goal of legal warfare is to justify Chinese action while simultaneously undermining adversary action as illegal in order to create doubt.<sup>35</sup> Dean Cheng describes legal warfare as, "an offensive weapon capable of hamstringing opponents and seizing the political initiative."<sup>36</sup> In essence, Legal warfare seeks to manipulate law in order to gain advantage against adversary activity, rather than the equal application of law in order to ensure fairness among parties. The use of UNCLOS EEZ language in the 2009 and 2011 letters to the United Nations regarding Chinese territorial claims in the South China Sea are an example of the exploitation of international law for Chinese purposes.

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<sup>33</sup> Laura Jackson, "Revisions of Reality: The Three Warfares - China's New Way of War," *Beyond Propaganda: Information at War - From China's Three Warfares to NATO's Narratives*, September 2015: 5, <https://lif.blob.core.windows.net/lif/docs/default-source/publications/information-at-war-from-china-s-three-warfares-to-nato-s-narratives-pdf.pdf?sfvrsn=2> (accessed February 12, 2017).

<sup>34</sup> *Ibid*, 5.

<sup>35</sup> Cheng, "The U.S. Needs an Integrated Approach to Counter China's Anti-Access/Area Denial Strategy."

<sup>36</sup> Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," *Backgrounder* (The Heritage Foundation) No. 2692 (May 2012).



A recent example of the use of the Three Warfare includes Chinese seizure of a U.S. undersea survey drone in the South China Sea. The Chinese seized the drone, operated from the USNS BOWDITCH, approximately 50 miles northwest of Subic Bay in the Philippines, in December 2016.<sup>37</sup> In a statement regarding the return of the drone to the United States, the Chinese Defense Ministry Spokesman, Yang Yujin, made the following points: the drone was seized in Chinese waters, the drone was seized in order to prevent it from causing harm to personnel and passing vessels, and if the U.S. continues to conduct reconnaissance within Chinese waters, China will take appropriate response.<sup>38</sup> The important themes from Yujin's statement are the waters outside of Subic Bay, well within the Philippine EEZ, are Chinese territory, the United States conducts operations in Chinese territorial seas without regard to safety, China will respond to continued provocation, and China is magnanimous in its decision to return the drone. By creating an incident that was sure to draw the attention of the international media, China advanced the psychological ideas of the United States as an aggressor, China as benevolent, and most importantly, the understanding that the waters west of the Philippines are Chinese territory.

Through the coordinated application of psychological, media, and legal warfare, China seeks to influence adversary decision-making and action toward Chinese political goals, while remaining short of action to provoke kinetic activity. Further, China leverages media coverage to conduct information operations beyond its borders targeted at foreign governments and foreign popular opinion. By creating incidents to draw media

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<sup>37</sup> Jane Perlez, and Matthew Rosenberg, "China Agrees to Return Seized Drone, Ending Standoff, Pentagon Says," *New York Times*, December 17, 2016.

<sup>38</sup> Xinhua News Agency, "China to hand over underwater drone to US in appropriate manner," *China Daily*, December 18, 2016.

attention, China is able to shape the narrative in favor of its political goals. Implementation of the Three Warfares concept offers China additional means, beyond kinetic, diplomatic, and economic measures, in pursuit of its national goals.<sup>39</sup> The ultimate victory in application of the Three Warfares would be to convince the United States and South China Sea claimants that the nine-dashed line claim is legitimate and Chinese military dominance both protects the region and deters aggressive U.S. intervention – or the achievement of Chinese political goals and defeat of its adversaries without fighting.

### **Maritime Sun Tzu – The Acme of Skill**

In *The Art of War*, Sun Tzu indicates a desired priority for the means to defeat an enemy:

To defeat an enemy without fighting is the acme of skill. Thus what is of supreme importance in war is to attack the enemy's strategy; next best is to disrupt his alliances; the next best is to attack his armies; the worst policy is to attack cities. Attack cities only when there is no alternative.<sup>40</sup>

With respect to maritime territorial disputes, China appears to be abiding by the words of Sun Tzu. While Chinese coercive economic measures and land reclamation projects appear aggressive at times, China always stops short of provoking kinetic action. China appears to be balancing U.S. military influence in the region by developing systems that threaten American freedom to operate unopposed, while also balancing U.S. economic influence in the IMF. Both tactics target U.S. allies in the region and their faith in

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<sup>39</sup> Cheng, "Winning Without Fighting: Chinese Legal Warfare."

<sup>40</sup> Sun Tzu, *The Art of War*, New York, NY: Oxford University Press, 1963, 77-78.

American hegemonic protection. As Southeast Asian nations continue to become more economically reliant upon China, the PRC will be able to continue to pressure those nations to turn away from the United States in terms of both security and economics.

Additionally, China's strategy of delaying resolution to the South China Sea dispute has provided it with time to continue land reclamation in the Spratly Islands while modernizing its naval capacity. Simultaneously, China's South China Sea policies have evolved from cooperation, to assertiveness, to a position of power from which China can deter action it considers harmful to the pursuit of sovereignty within the nine-dashed line, access to exploit maritime resources, and security and control of the South China Sea lines of communication. Through its actions in the South China Sea, China has demonstrated that it will actively adjust its policies and actions reflective of Chinese power relative to its competitors. When China feels weakest, it will combine restraint, and cooperation in order to delay resolution to conflict; when China feels its interests are threatened, it employs coercion and aggression to escalate tensions; when confident in its relative power, China returns to a strategy of delay and deterrence. Overall, China's varying actions in dealing with the maritime disputes in the South China Sea indicate a propensity for trading space for time in order to develop relative strength while simultaneously coordinating the use of multiple instruments of national power. China appears to understand the complex international system in the western Pacific region and applies coordinated inputs in one area in order to achieve desired end-states elsewhere.

## SEARCHING FOR A RESOLUTION

While the South and East China Sea disputes will certainly continue for the foreseeable future, there are several ideas regarding what steps should be taken toward peaceful resolution. Various authors have proposed the use of different instruments of national power to aid in fomenting resolution. However, the U.S. and its allies must formulate a strategy that coordinates the application of their various instruments of national power. Until this occurs, China will continue to displace U.S. influence in the region through its coordinated approach.

### Diplomatic

The primary means through which the South China Sea dispute may be resolved diplomatically is through ASEAN. George Galdorisi contends that one of the diplomatic roadblocks to resolving the South China Sea dispute is China's preference for dealing with countries bilaterally, vice multilaterally.<sup>1</sup> From China's perspective, bilateral agreements enable China to maintain an unstable regional balance through which it can play the claimants against each other, while continuing to solidify control of the area. Further, China prefers to negotiate bilaterally when dealing with its weaker neighbors in order to create a diplomatic power advantage.<sup>2</sup> At the July 2010, ASEAN Regional Forum, Chinese Foreign Minister Yang Jiechi stated, "China is a big country and other countries are small countries, and that's just a fact."<sup>3</sup> Yang Jiechi's statement is

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<sup>1</sup> George Galdorisi, "The South China Sea: The World's Most Important Body of Water?," *Asia Pacific Defense Reporter*, November 2014, 34.

<sup>2</sup> Denny Roy, *Return of the Dragon: Rising China and Regional Security*, New York, NY: Columbia University Press, 2013, 228.

<sup>3</sup> Aileen Baviera, "China is a Big Country, Other Countries are Small Countries: Analyzing the Facts of Power Asymmetry," *25th Asia Pacific Round Table, Plenary Session Two - China: Less Charm, More Offensive*, Kuala Lumpur, Malaysia: ISIS.ORG, May 30, 2011, [http://www.isis.org.my/files/25APR/paper\\_ps2\\_aileen\\_baviera.pdf](http://www.isis.org.my/files/25APR/paper_ps2_aileen_baviera.pdf) (accessed February 14, 2017).

indicative of China's perception of its position when dealing with its neighbors, as not only a physically larger country, but also a more powerful one. Finally, bilateral agreements prevent the other claimants in the South China Sea from coming to a consensus for resolution, which would force China to the negotiating table through regional peer pressure. A coordinated front from the ASEAN collective presents a much greater challenge to China's economic and political power, while also adding legitimacy to any agreement that is reached. Christopher Daniels concurs with the assessment that strengthening cooperation through regional organizations is one of the necessary steps toward resolution.<sup>4</sup> Additionally, Daniels offers the opinion that resolution of Taiwanese independence is a necessary part of the South China Sea dispute. Taiwan's claims mirror those of China; in fact, the now exiled government on Taiwan created the 1947 map while it was still in mainland China. However, the 2009 and 2011 letters from China to the United Nations expand the Chinese claim to include the seabed and subsoil beneath the sea, something the Taiwanese claim does not include,<sup>5</sup> so any resolution between Taiwan and the other claimants would not fully address China's territorial desires. Additionally, Taiwan lacks political maneuvering room while threatened by invasion from China, as any concessions to resolution that Taiwan makes with the other claimants may threaten China's overall plan and inflame Taiwan-China relations. Further, the vagaries of the U.S. relationship with Taiwan continue to complicate any diplomatic negotiations the U.S. may have with China. Patrick Cronin and Robert Kaplan suggest that while ASEAN members should pursue multilateral solutions, the U.S. role in the

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<sup>4</sup> Christopher L. Daniels, 2014, *South China Sea: Energy and Security Conflicts*, (Lanham, Maryland: The Scarecrow Press, Inc., 2014), 79.

<sup>5</sup> Permanent Mission of the People's Republic of China to the United Nations, 2009; Permanent Mission of the People's Republic of China to the United Nations, 2011.

dispute may work best in the form of bilateral agreements and discussions in order to not provoke Chinese ire. However, they do recommend U.S. participation in multilateral naval exercises and humanitarian missions in order to maintain or increase U.S. influence with the nations in the region as a balance to the growing threat of Chinese regional hegemony.<sup>6</sup> William Tow concurs with the important role of ASEAN in resolving the dispute. He adds that the U.S. should consider relaxing its stringent human rights stance in order to enable better U.S.-Thai and U.S.-Vietnamese relations and increase U.S. influence in the area, which would allow Thailand and Vietnam to work through their internal issues without feeling as if the U.S. is looking down upon them.<sup>7</sup> While this is an interesting proposal, it may not be internally acceptable to the U.S. and may decrease U.S. legitimacy in other environs. Regardless of the specific avenue of approach, a diplomatic method is necessary to fostering any solution to the South China Sea dispute.

### **Economic**

China's economic power has been increasing significantly since economic reforms were started in 1979 and several authors suggest economic measures to address the South China Sea dispute. Daniels offers a blunt approach of applying direct U.S. economic pressure on China to force a negotiated solution through sanction; however, he also admits that the voracious American appetite for cheap Chinese goods, which financially

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<sup>6</sup> Patrick M. Cronin and Robert D. Kaplan. "Cooperation from Strength: U.S. Strategy and the South China Sea," In *Cooperation from Strength: The United States, China, and the South China Sea*, by Patrick M. Cronin ed., 3-30, Washington, D.C.: Center for a New American Security, 2012, 23.

<sup>7</sup> William Tow, "U.S.-Southeast Asia Relations in the Age of the Rebalance," *Southeast Asian Affairs*, January 2016: 48.

enables Chinese aggression along its maritime borders, is unlikely to change making sanctions untenable to the American people.<sup>8</sup> Additionally, Daniels postulates that encouraging interregional trade may reduce boundaries and “foster a spirit of cooperation among nations in the region.”<sup>9</sup> Similarly, Galdorisi proposes joint exploration of the potential oil and gas reserves beneath the South China Sea as a possible resolution that may reduce barriers to agreement.<sup>10</sup> Tow suggests that the U.S. should have ratified the Trans-Pacific Partnership (TPP) in order to provide U.S. trade incentives to South China Sea signatories Malaysia, Vietnam, and Brunei. Tow contends that Southeast Asian nations will have no choice but to prefer trade with China through the ASEAN-China Free Trade Area.<sup>11</sup> The TPP would have provided Malaysia, Vietnam, and Brunei economic opportunity space to leverage trade with China versus the U.S. as an avenue for bargaining in the South China Sea. Cronin and Kaplan, concur with Tow, offering the fact that the Philippines and Taiwan previously expressed interest in the TPP.<sup>12</sup> While the U.S. decision to not ratify the TPP may not end it as a trade deal, without the United States many Southeast Asian nations may seek inclusion in the Regional Comprehensive Economic Partnership (RCEP).<sup>13</sup> As a trade agreement that includes China, RCEP lacks the ability to leverage U.S. economic power against Chinese influence. The United States needs to view free trade or trade incentives with Southeast Asian nations not just in terms of economics, but also security. This may require the U.S. to accept an economic

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<sup>8</sup> Daniels, 80.

<sup>9</sup> Ibid, 78.

<sup>10</sup> Galdorisi, 34.

<sup>11</sup> Tow, 47.

<sup>12</sup> Cronin and Kaplan, 25.

<sup>13</sup> Isabel Reynolds and Micheal Heath, "Australia Pushes for TPP without U.S. after Trump Exits Deal," *Bloomberg*, January 24, 2017, <https://www.bloomberg.com/politics/articles/2017-01-24/australia-leads-push-for-tpp-without-u-s-after-trump-exits-deal> (accessed February 20, 2017).

disadvantage in order to maintain influence in the region both economically and politically, as well as ensure military access to local facilities. In order to effect change in the South China Sea via the Chinese economic juggernaut, large muscle movements have to occur such as free-trade agreements with the U.S. Alternatively, the U.S. could employ economic sanctions as suggested by Daniels, but concern for resolution of the South China Sea dispute did not prove to be a significant enough security risk to cause the U.S. to ratify the TPP and thus sanctions are similarly unlikely.

### **Military**

While a kinetic option for resolution to the South China Sea dispute exists, it is one to be avoided; however, there are actions involving the positioning or movement of forces that may be useful. Cronin and Kaplan back arresting the decline of U.S. naval power, they advocate for a 346 ship fleet as recommended by the 2010 Quadrennial Defense Review Independent Panel, and continuing the flow of U.S. naval power to the Pacific theater in order to balance growing Chinese naval power.<sup>14</sup> Steven Groves and Dean Cheng assert that an aggressive Freedom of Navigation (FON) Program combined with diplomatic protests are the avenue through which, the U.S. should invalidate excessive Chinese claims.<sup>15</sup> The objectives of the FON program are:

First, to have other nations recognize the legal right of all nations to operate, in conformity with the navigational provisions of the LOS Convention, in and over the territorial sea and international waters, and second, to minimize efforts by other States to reduce those rights by making excessive maritime claims.<sup>16</sup>

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<sup>14</sup> Ibid, 20.

<sup>15</sup> Steven Groves and Dean Cheng, "A National Strategy for the South China Sea," *Backgrounder* (The Heritage Foundation) No. 2908 (April 2014), 7.

<sup>16</sup> J. Ashley Roach and Robert W. Smith, *United States Responses to Excessive Maritime Claims*, 2<sup>nd</sup> ed. (The Hague: Martinus Nijhoff Publishers, 1996, pp. 7-8, as quoted in Groves and Cheng, 7.



The FON Program essentially demonstrates that excessive maritime claims cannot prevent freedom of access. Erickson concurs with both Cronin and Kaplan regarding U.S. naval power and Groves and Cheng regarding FON.<sup>17</sup> However, the FON operations (FONOPS) can be construed by the receiving party as inflammatory and accomplish little to resolve the excessive claim beyond highlighting its existence. Renato Cruz de Castro discusses additional U.S. military presence in the region, offering a strengthening of the U.S.-Philippines military relationship as a hedge against China.<sup>18</sup> Tow's previously discussed suggestion regarding U.S. humanitarian rights requirements would also apply to enabling additional U.S. military access to some of the Southeast Asian nations providing other options to enable a forward presence in the region. Cheng suggests developing a relationship with Vietnam as a nation that has had a historically tenuous relationship with China.<sup>19</sup> Any U.S. military movements within the South China Sea must be executed carefully as China will most likely view them as threatening action.

### **Legal**

UNCLOS is a legal avenue through which resolution to the South China Sea dispute may be found. Erickson suggests that the U.S. should ratify UNCLOS in order to establish legitimacy in any diplomatic discussion with China regarding its excessive claims and eliminate a means for China to discredit U.S. argument.<sup>20</sup> Conversely,

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<sup>17</sup> Andrew S. Erickson, "America's Security Role in the South China Sea," *Naval War College Review*, Winter 2016: 19.

<sup>18</sup> Renato De Castro, "The U.S.-Philippine Alliance: An Evolving Hedge Against an Emerging China," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 2009: 418.

<sup>19</sup> Cheng.

<sup>20</sup> Erickson, 19.

Groves and Cheng contend, “The U.S. Navy [has] thrived for more than 180 years from its birth in 1775 through two world wars and [the U.S.] developed into a global maritime power, all without membership in UNCLOS,”<sup>21</sup> and that pursuit of U.S. ratification of UNCLOS is wasted effort. Daniels offers that UNCLOS is outdated and should be modified to define a nation’s territorial waters from territory that is “significantly integrated into the rest of the nation.”<sup>22</sup> This would remove all islands in the South China Sea from consideration for defining territorial waters. Daniels’ idea is interesting, though it needs further refining and definition.

### **Recommendations**

#### **Recommendation 1: Create an interagency organization to coordinate U.S. strategy in the Pacific.**

China’s approach to its maritime territorial disputes advantages coordinated military, economic, legal, diplomatic, and information means to address its claims and advance its influence. Any attempt by the United States to respond needs to be holistic in nature or the Chinese will simply focus their effort on a seam in the U.S. approach. The current U.S. National Security Council system is too cumbersome and slow to adequately address Chinese strategy. Further, the National Security Council process is not conducive to the development of cross-domain effects. The United States should form an interagency organization whose role is to synchronize the effects of U.S. instruments of national power, to include the application of one instrument to achieve effects in the realm of

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<sup>21</sup> Groves and Cheng, 8.

<sup>22</sup> Daniels, 77.

another. Such an organization should be tiered in order to develop plans and strategies to address U.S.-Sino engagement at operational and strategic levels.

The primary task of the organization would be to develop coordinated plans and a national strategy that counters China's expansion and control of the South China Sea and enables continued free use of the sea-space for military and civil traffic. At a minimum defense, state, commerce, justice, and treasury departments should be represented. Due to the commitment of personnel to such an endeavor, a similar organization cannot be established to address every potential competitor to the United States, but could be utilized to address the nations that the United States views as its greatest threats, China, Russia, North Korea, and Iran.<sup>23</sup> Such an organization needs to be able to look beyond first order effects, and understand the complex international system in the Pacific region culturally, economically, diplomatically, and militarily.

U.S. Pacific Command is best suited to host this organization with facilities, manpower, and expertise, however, Presidential Policy Directive 23 tasks the U.S. Department of State with coordinating interagency security sector efforts.<sup>24</sup> The current system for integrating U.S. interagency efforts into a unified approach under the Department of State continues to be fraught with organizational parochialism, which leads to bottom end, stovepiped solutions interwoven at the top into an uncoordinated approach, thereby preventing a coordinated effort and cross-domain effects. By involving the various departments that control instruments of national power from the

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<sup>23</sup> Chairman of the Joint Chiefs of Staff, *National Military Strategy of the United States of America: The United States Military's Contribution to National Security*, Washington, D.C.: Joint Chiefs of Staff, 2015, 2.

<sup>24</sup> U.S. Department of State, Undersecretary for Arms Control and International Security, Bureau of Political-Military Affairs, Office of Plans and Initiatives, *Political-Military Policy and Planning Team*, n.d. <http://www.state.gov/t/pm/ppa/pmppt/> (accessed December 19, 2016).

beginning, the proposed organization would produce one single synchronized plan from the start rather than several plans kludged together at the top. The Department of Defense undertook a similar effort in order to synchronize the efforts of the various branches of the U.S. military and breakdown service parochialism; legislation was passed in the form of the Goldwater-Nichols Act, which forced the services to work together and established the geographic combatant commands, vice the services, as the organizations responsible for employing the military instrument of national power. Similar legislation may be required to synchronize the efforts of the various U.S. departments that are responsible for wielding the various instruments of national power.

Ultimately, the intent of the organization created would be to develop a strategy coherent enough to apply pressure to China's weak points through a cross-domain application of power rather than attack it head-on.

**Recommendation 2: Promote a strong ASEAN that has the economic and political strength to stand united against China.**

The United States should work with ASEAN to promote a multilateral response to Chinese territorial claims in the region. China understands that it is the most powerful nation in the region and therefore prefers to negotiate with its neighbors bilaterally. The only means the Southeast Asian nations have to balance China is to cooperate. If the ASEAN nations are not prepared to resolve their conflicting territorial claims with China, ASEAN should be encouraged to develop a multinational organization for joint development and patrol of the South China Sea. China is well aware of the threat presented by a united ASEAN and has invoked Sun Tzu by attempting to disrupt the

ASEAN alliance through leveraging Chinese influence on Cambodia and Laos. In 2012, China used its influence as Cambodia's largest trading partner, to prevent the inclusion of commentary regarding the South China Sea territorial disputes that the Philippines and Vietnam have with China in the joint communiqué typically issued at the conclusion of an ASEAN meeting. The result of Cambodia's maneuver was that for the first time in ASEAN history, the organization did not issue a joint communiqué following the annual meeting.<sup>25</sup> Similarly, in 2016 Malaysia released and subsequently retracted a joint ASEAN statement regarding the South China Sea following an interaction between China and Laos.<sup>26</sup> The real impact of these two events was the public display of Chinese influence and indication of its desire to prevent ASEAN unity on matters of interest to China. As a consensus organization, all parties in ASEAN must agree to any statements, making the organization particularly susceptible to China's influence upon its trade partners. Therefore, the U.S. should leverage security guarantees and economic incentives to offer the ASEAN nations economic alternatives to trade with China, even at a disadvantage to the United States. In exchange for political loyalty and military access, economic advantages offered to the ASEAN nations would bolster the regional economy while simultaneously reducing the effects of Chinese coercive economic tactics. Further, the United States should participate in the Asian Infrastructure Investment Bank to both encourage China to take a responsible role as a regional leader, as well as to ensure the

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<sup>25</sup> Ernest Z. Bower, "China Reveals Its Hand on ASEAN in Phnom Penh," *Center for Strategic and International Studies*, July 20, 2012, <https://www.csis.org/analysis/china-reveals-its-hand-asean-phnom-penh> (accessed February 17, 2017).

<sup>26</sup> David Tweed and David Roman, "South China Sea Talks End in Disarray as China Lobbies Laos," *Bloomberg*, June 15, 2016, <https://www.bloomberg.com/news/articles/2016-06-15/china-s-south-china-sea-meeting-with-asean-ends-in-confusion> (accessed February 20, 2017).

United States maintains some influence, though not controlling, as with the International Monetary Fund, in global financial development institutions.

**Recommendation 3: Foster closer military relationships with the nations in the region and increase forces stationed in Southeast Asia.**

Fundamental to ensuring freedom of movement through the South China Sea is ensuring access to ports and military installations in the region. The United States should expand the forces permanently stationed in the region. In order to do so, it may need to look beyond its traditional ally in the Philippines and grow relationships with Vietnam or Thailand. The advantages of permanently stationed forces are threefold. First, permanently stationed forces can focus upon the regional threat vice rotational forces that must be trained up for the regional threat prior to arrival in theater. Second, permanently stationed forces develop relationships with the local population and can improve popular support of the United States while simultaneously contributing to the local economy. Finally, the reaction time of permanently deployed forces is significantly lower as they do not have to be marshaled and transported to theater. Additionally, the likelihood of kinetic Chinese aggression is diminished with a U.S. military presence.

## CONCLUSION

China's maritime territorial disputes in the South and East China Seas threaten regional stability and freedom of movement through vital sea-lanes. The provenance of the disputes is three-fold. First, China's desire as a rising power to establish regional primacy and assert sovereignty over what it perceives as historically Chinese territory. Second, the possibility of large energy reserves beneath both bodies of water drives the desire by all claimants for control. As China becomes more industrialized and thus more energy dependent, it needs to find an alternate source of fuel that does not require vulnerable maritime shipment through the Strait of Malacca. Third, China's desire to secure vital sea-lanes for the transportation of goods and materiel and protect those sea-lanes in case of conflict.

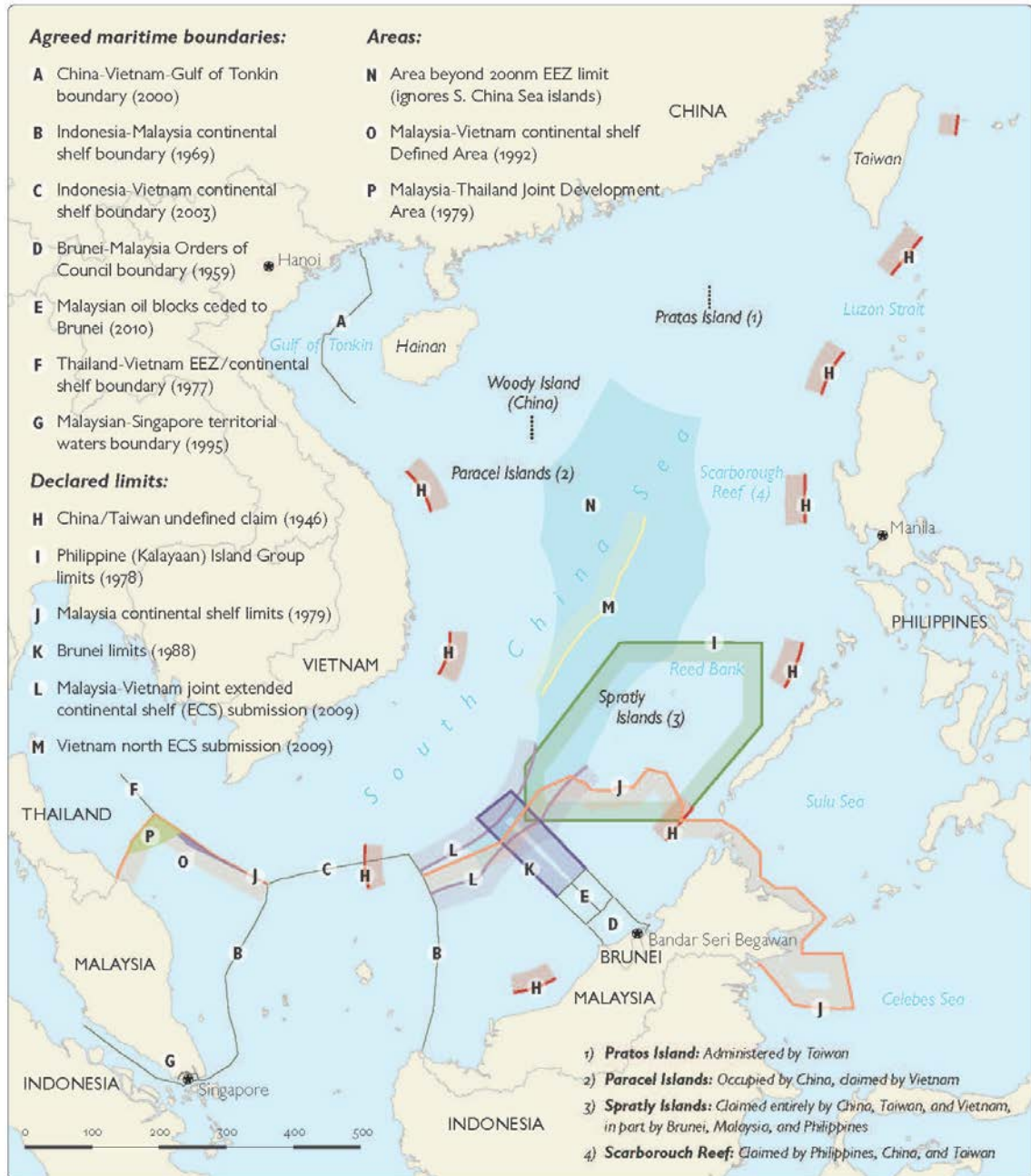
With seven claimants, including China, to the islands in the South China Sea, any attempt to resolve the conflict will be exceedingly complex. Similarly, in the East China Sea, the role of the U.S. mutual defense treaty with Japan complicates the situation. China has seized the opportunity, presented by the complexity of the claims, to exploit time and space through the application of a holistic approach to the problem whereby China applies pressure indirectly to the problem through coercive means and non-kinetic activity to move closer to its desired end state. Additionally, China has proved to be agile in its activities based upon an assessment of its relative power. During times of weakness, China avoids change in the status quo; during times of relative strength China confidently exhibits creeping advancement during which it moves up to the line of provoking harsh response and then backs down slightly; in the middle, China acts aggressively and coercively to influence the situation.

Regardless of the avenue through which resolution to excessive Chinese maritime claims is pursued, be it diplomatic, economic, military, or legal, the primary characteristic of the response must be that it is coordinated across various instruments of national power. The Chinese have become very adept at addressing complex systems through a holistic approach and therefore any counter must also be holistic in nature. Primarily, the U.S. will need to establish an organization that can wield various instruments of national power in a coherent manner. Any linear response to Chinese strategy will fail to yield desired results. Further, the U.S. needs to create a favorable security and economic environment for the ASEAN nations, while simultaneously encouraging a united front against China and discourage bilateral agreements, which generally benefit China through its exploitation of seams. Finally, the U.S. should work to establish a larger permanently deployed force in the western pacific to discourage Chinese military expansion, which has the potential to force the U.S. to assume greater risk to force while operating in the South and East China Seas. Fundamentally, until the United States and its allies confront China with a choice in which continued pursuit of excessive maritime claims prevents it from attaining a higher priority goal, resolution to the dispute in the South China Sea may be out of reach.



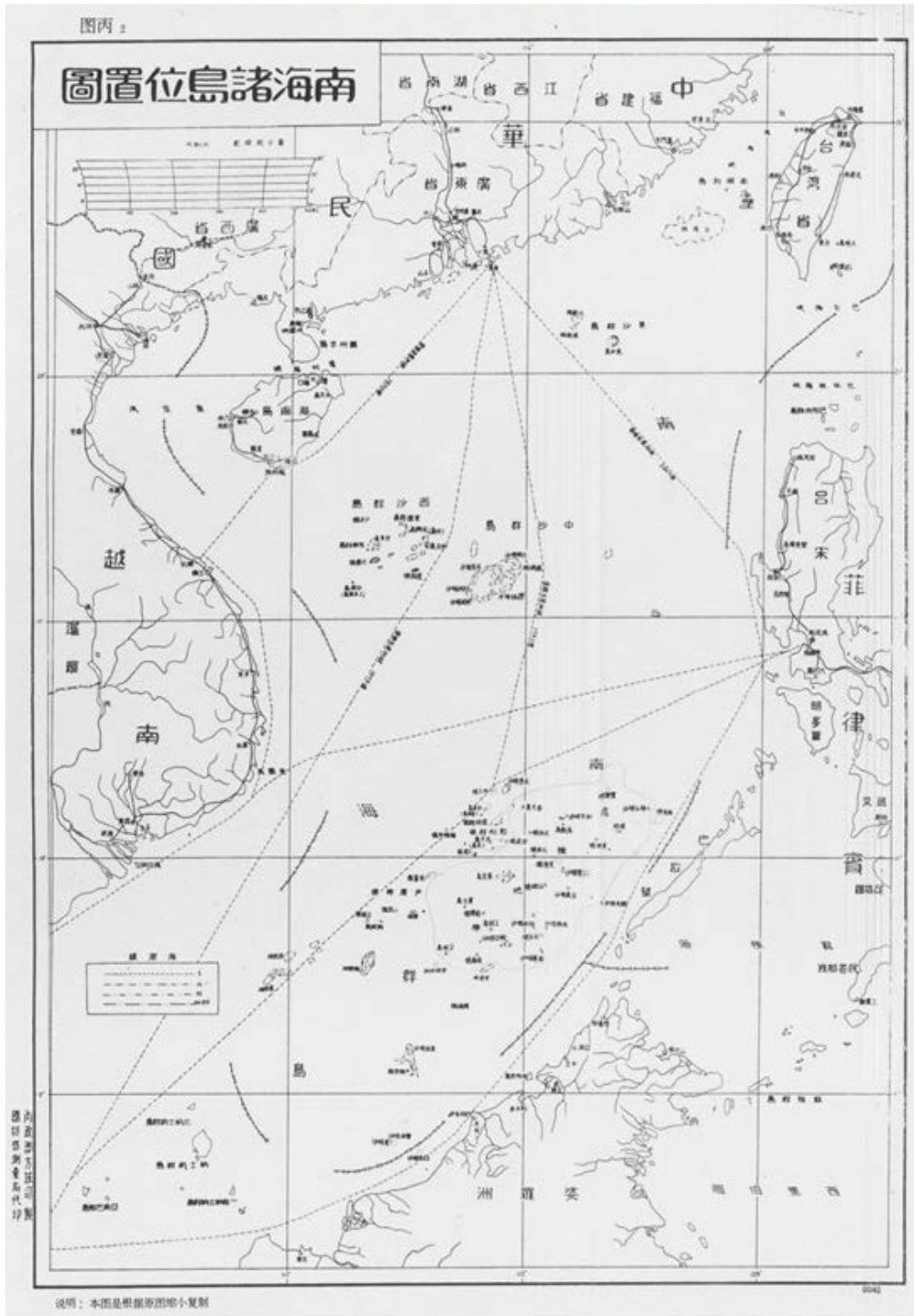
## Appendix 1. Figures

**Figure 1. Sovereignty Claims in the South China Sea**



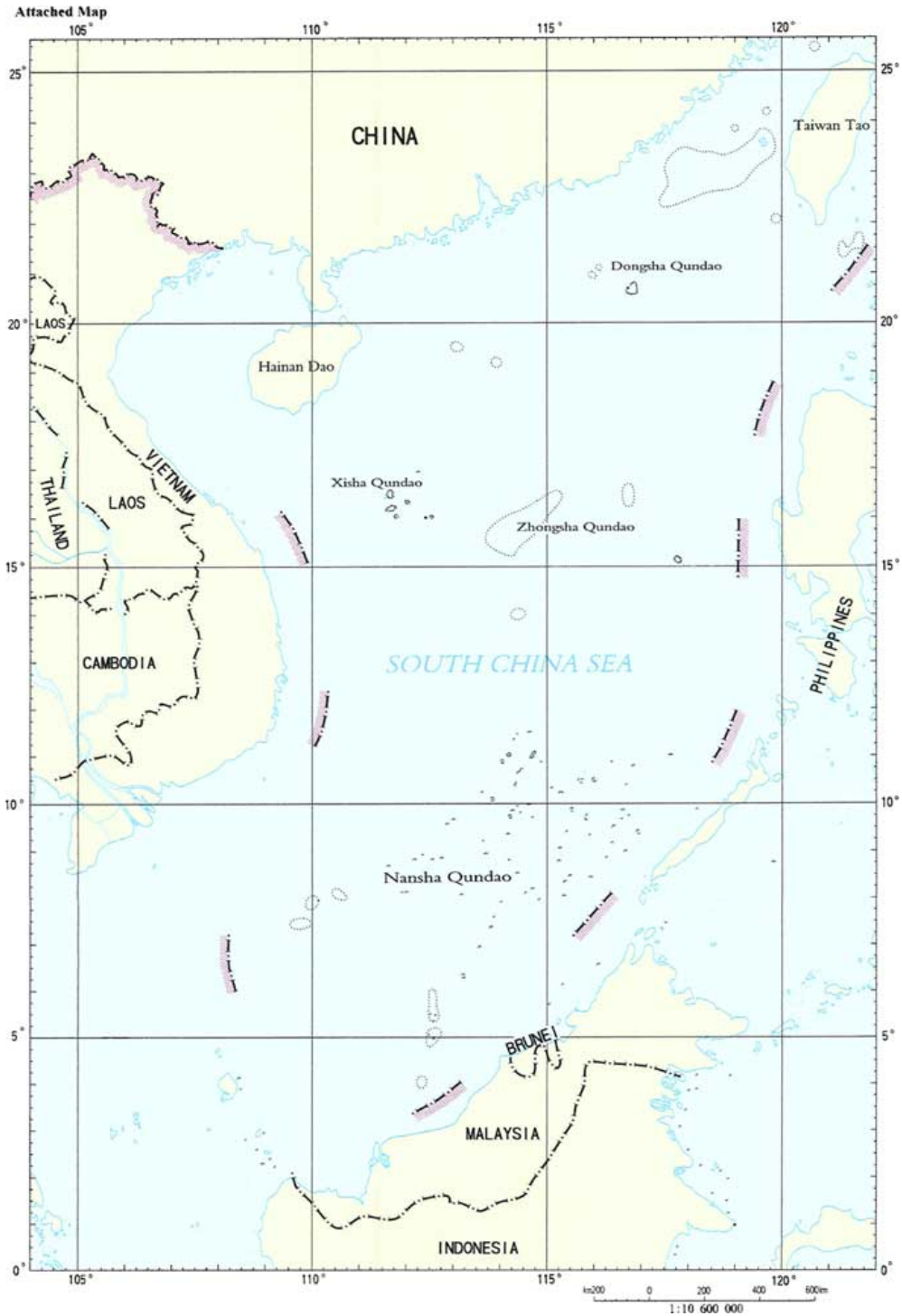
Source: U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2012*, Washington, D.C.: U.S. Department of Defense, 2012.

Figure 2. 1947 South China Sea Map



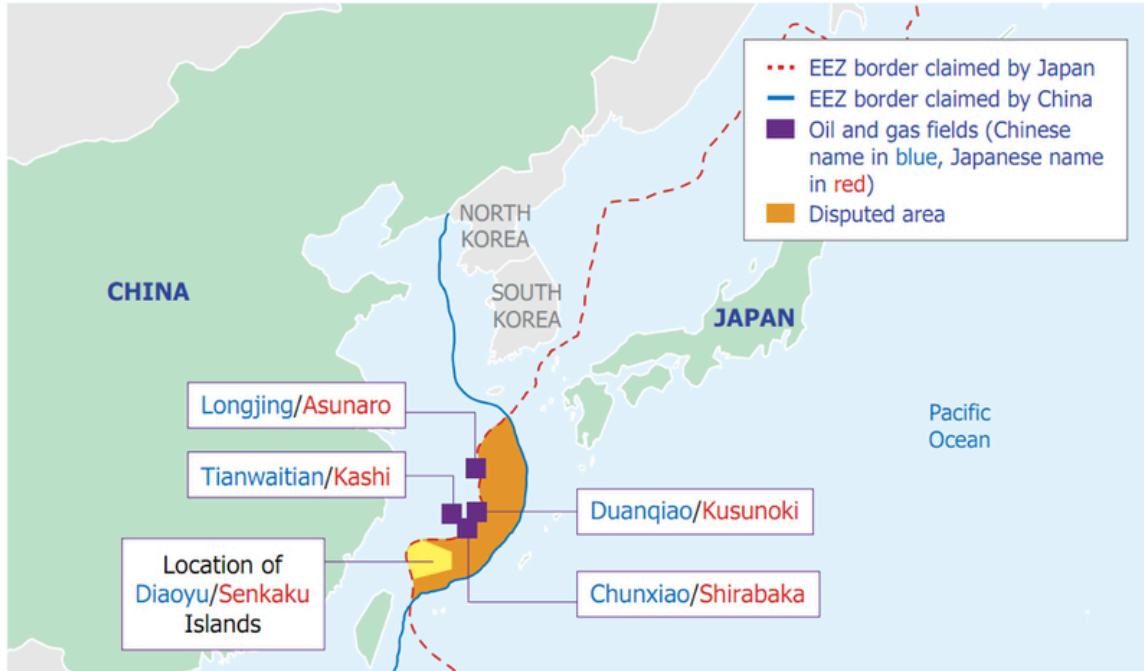
Source: U.S. Department of State: Bureau of Oceans and International Environmental and Scientific Affairs, *Limits in the Seas: China: Maritime Claims in the South China Seas*, Washington, D.C.: U.S. Department of State, 2014.

**Figure 3. 2009 South China Sea 9-Dashed Line Map**



*Source:* Permanent Mission of the People's Republic of China to the United Nations, *Letter to Ban Ki-moon*. May 7, 2009, [http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mysvnm33\\_09/chn\\_2009\\_re\\_mys\\_vnm\\_e.pdf](http://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/chn_2009_re_mys_vnm_e.pdf) (accessed October 10, 2016).

**Figure 4. The East China Sea Disputed Area**



*Source:* Lee, Ivy, and Ming Fang, "Deconstructing Japan's Claim of Sovereignty over the Diaoyu/Senkaku Islands," *Asia-Pacific Journal: Japan Focus*. December 30, 2012, <http://apjff.org/2012/10/53/Ivy-Lee/3877/article.html> (accessed November 28, 2016).

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## Vita

Commander Jeremy R. Rich, (USN) is a 1999 graduate of the United States Naval Academy where he received a Bachelor of Science degree in Oceanography. He is an E-2C Naval Flight Officer (NFO) and flight instructor who has flown from the USS KITTY HAWK and USS DWIGHT D EISENHOWER in the USPACOM and USCENTCOM AORs including missions in support of Operations IRAQI FREEDOM and ENDURING FREEDOM. A graduate of the U.S. Navy Fighter Weapons School (TOPGUN), Command and Control Course and the Carrier Airborne Early Warning Weapons School, Weapons and Tactics Instructor Course he has over 1800 E-2C flight hours. In 2004, he was selected as the Commander, Naval Air Forces Pacific NFO of the Year and Commander, Carrier Airborne Early Warning Wing, U.S. Atlantic Fleet E-2C Hawkeye NFO of the Year. His most recent assignment was as the Ashore Operations Branch Head in the Fleet Antiterrorism Directorate of U.S. Fleet Forces Command where he was responsible for the development and execution of the physical security and antiterrorism programs at Navy shore-based equities within the USNORTHCOM AOR. Commander Rich holds a Master of Military Studies degree from Marine Corps University, Command and Staff College in Quantico, Virginia. His personal decorations include the Navy and Marine Corps Achievement Medal, three awards, Navy Commendation Medal with combat distinguishing device, three awards, Air Medal, and Meritorious Service Medal. He is married to Commander Jennifer M. Espiritu, MC USN and they have two sons.