

MAY 2017

Countering Coercion in Maritime Asia

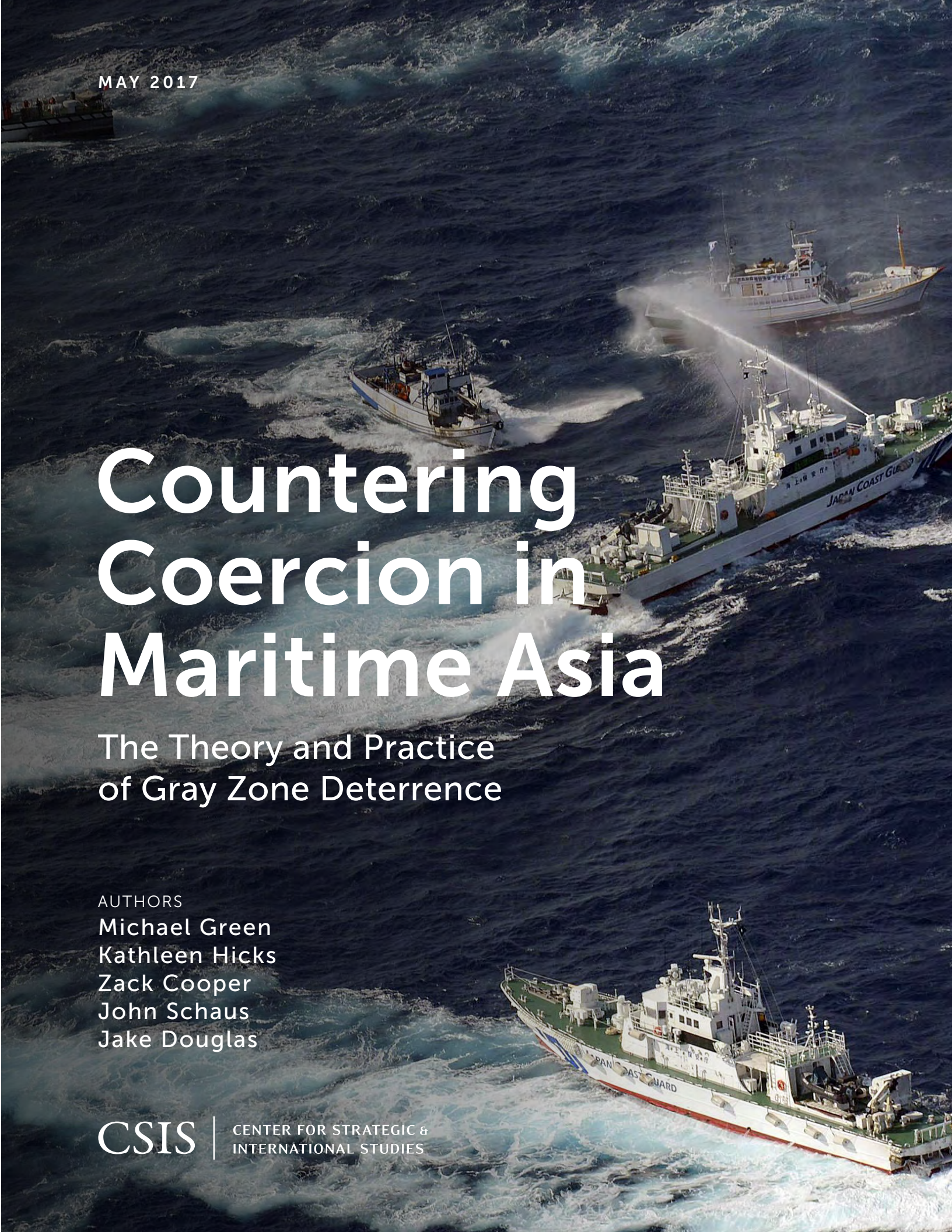
The Theory and Practice
of Gray Zone Deterrence

AUTHORS

Michael Green
Kathleen Hicks
Zack Cooper
John Schaus
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ISBN: 978-1-4422-7997-1 (pb); 978-1-4422-7998-8 (eBook)

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Acknowledgments

This report is the result of discussions with a variety of experts over several years. The final product is the responsibility of the authors alone, but we have accumulated numerous debts in the process of researching and writing this study.

For providing critical insights and feedback at workshops and other discussions, we thank Richard Betts, Kurt Campbell, Victor Cha, Patrick Cronin, Janine Davidson, Abraham Denmark, Bonnie Glaser, Charles Glaser, Andrew Goodhart, Wallace Gregson, Brian Harding, David Helvey, Rebecca Hersman, Paul Huth, Robert Jervis, Christopher Johnstone, Mara Karlin, Dan Kliman, James Kraska, Eric Lorber, Thomas Mahnken, Paul Mancinelli, Michael McDevitt, Jim Miller, Evan Montgomery, Lyle Morris, Will Norris, Nirav Patel, Greg Poling, Mira Rapp-Hooper, Ely Ratner, Eric Sayers, Michael Schiffer, Randy Schriver, Amy Searight, Andrew Shearer, Vikram Singh, Allan Song, Nicholas Szechenyi, Caitlin Talmadge, Matt Turpin, Bob Wang, Colin Willett, Andy Winternitz, Thomas Wright, and Christopher Yung.

For contributing vital research and fundamental insights during the project, the authors thank William Colson, Lauren Dickey, David Hookey, Andrew Metrick, and Amber O'Rourke. We are also grateful to Ali Bours and Jim Dunton for their help with graphics and publication, respectively.

In addition, the authors wish to thank the Smith Richardson Foundation for supporting this project. We are particularly indebted to Al Song for his support and advice throughout, and to three anonymous reviewers who helped to shape the initial project.

Executive Summary

In the past decade, tensions in Asia have risen as Beijing has become more assertive in maritime disputes with its neighbors and the United States. Regional leaders have expressed concern that Chinese “gray zone” coercion threatens to destabilize the region by undermining the rules-based order and increasing the risk of conflict. Yet, despite the threat posed to regional security and prosperity, the United States and its allies and partners in East Asia have struggled to develop effective counters to maritime coercion. The inability of U.S. policymakers to deter coercive actions or to articulate a coherent gray zone strategy has raised questions about Washington’s ability to protect U.S. interests, to integrate China into the international order, and to maintain existing alliance commitments. As a result, experts in the United States and in East Asia are searching for new approaches to counter coercion in the East and South China Seas.

This study examines recent incidents of gray zone coercion in maritime Asia and draws lessons for policymakers. Based on detailed analysis of both deterrence theory and recent incidents of gray zone coercion, this report identifies five lessons:

- *Lesson 1: Tailor deterrence strategies.* Leaders should only draw red lines that they are willing to uphold. Tailoring gray zone deterrence therefore requires differentiation among four categories of coercion and only attempting deterrence when it can be done credibly. These four categories of coercion include: contesting physical control, contesting rules and norms, exploiting physical control, and exploiting rules and norms.
- *Lesson 2: Clarify deterrence commitments.* Although ambiguity can be useful, gray zone coercion can exploit ambiguity to undermine commitments. Increasingly, leaders will have to be clear about the actions they oppose and demonstrate how they may respond in order to credibly deter those actions.
- *Lesson 3: Accept calculated risk.* Too often, Washington has sought to eliminate rather than manage gray zone risks. Yet, risk avoidance encourages coercion by reassuring China that the likelihood of escalation in gray zones is minimal.

- *Lesson 4: Tighten alliances and partnerships.* If Washington clarifies its commitments and accepts more risk, then the United States should seek to deepen alliance cooperation. By ensuring that the United States is a constant participant in allied decisionmaking, Washington can dissipate both ally fears of abandonment and U.S. fears of entrapment.
- *Lesson 5: Exercise restraint while demonstrating resolve.* If the United States takes a more robust approach to deterring gray zone coercion, then it should also engage Beijing to demonstrate that Washington still welcomes the rise of a peaceful and prosperous China.

In applying these lessons to specific gray zone maritime disputes, this study recommends the following approaches to potential future scenarios:

- *Scenario 1: An unsafe air or sea intercept.* If China contests rules and norms using limited probes, then U.S. leaders should respond firmly by accepting calculated risk and continuing to be clear that the United States is committed to such operations.
- *Scenario 2: A South China Sea air defense identification zone.* If China exploits rules and norms by issuing an ultimatum, then U.S. leaders should exercise restraint but clarify that the United States will not tolerate efforts to enforce destabilizing ultimatums and will demonstrate this resolve through visible policies and operations.
- *Scenario 3: Militarization of reclaimed features in the Spratly Islands.* If China exploits physical control through a *fait accompli*, then U.S. leaders should tighten alliance relationships and demonstrate that Beijing will pay a long-term cost for destabilizing actions.
- *Scenario 4: A challenge to the Senkaku Islands or Second Thomas Shoal.* If China contests physical control of the Senkaku Islands through pressure tactics, then U.S. leaders should accept calculated risk and tighten the U.S.-Japan alliance. If China contests physical control of Second Thomas Shoal, then U.S. leaders should accept precrisis risk *only* if the Philippines has engaged with the United States in robust bilateral precrisis planning and coordination.
- *Scenario 5: Land reclamation at Scarborough Shoal.* If China attempts land reclamation at Scarborough Shoal, then U.S. leaders should calibrate their response based on whether the Philippines is also willing to accept calculated risk and tighten the alliance relationship.

In addition to these proposals for deterring specific coercive incidents, this report also recommends moving beyond tactical scenario analysis to a more strategic deterrence framework for countering Chinese coercion writ large. If U.S. leaders do not adopt a deliberate and forward-looking strategy for countering coercion, they will continue the existing practice of responding to crises rather than shaping them. Even when the United States and regional states are unwilling to accept sufficient risk to deter a particular coercive action, they may nevertheless take steps to counter its secondary effects on the regional balance of power and perceptions of their credibility and capability. Strengthening U.S. alliances and partnerships in response to Chinese coercion ensures that Beijing pays a long-term cost for destabilizing short-term behavior. The authors hope that these policy recommendations can provide insights to current and future leaders in the United States and East Asia about how to strengthen regional security and international order in the years ahead.

Introduction

In the past decade, tensions in Asia have risen as Beijing has become more assertive in maritime disputes with its neighbors and the United States. Although taking place below the threshold of direct military confrontation, China's assertiveness frequently involves coercive elements that put at risk existing rules and norms; physical control of disputed waters and territory; and the credibility of U.S. security commitments. Regional leaders have expressed increasing alarm that such "gray zone" coercion threatens to destabilize the region by increasing the risk of conflict and undermining the rules-based order. Yet, despite the threat posed to their security and prosperity, the United States and its allies and partners in East Asia have struggled to develop effective counters to China's maritime coercion.

PROJECT OVERVIEW

This study examines the theory and practice of coercion in maritime Asia. The research that follows addresses a number of central questions, including: What national strategies and politics are driving competition in the East and South China Seas? What are the common characteristics of "gray zone" coercion? How can deterrence theory be applied to gray zone coercion? What coercive strategies and tactics have China's leaders used in maritime Asia, and how have these approaches changed over time? And what asymmetric gray zone advantages does China have vis-à-vis the United States and its allies and partners, and vice versa? To address these questions, this study examines not only the practical realities of gray zone coercion, but also its theoretical underpinnings. Relying on this combination of theoretical analysis and case studies, the study team then proposes attendant policy recommendations for the United States and its allies and partners.

This first chapter establishes the underlying reasons for the growing tension over the East and South China Seas. It begins by describing existing hypotheses about the drivers of Chinese behavior in maritime Asia. We then review Chinese capabilities, particularly the nonmilitary capabilities

that Beijing has frequently used to try to accomplish its objectives while avoiding conventional war. The next section addresses U.S. interests and capabilities in maritime Asia, as well as existing research on potential response options.

The second chapter analyzes traditional deterrence theory and its implications for countering gray zone coercion. It posits a more workable definition of “gray zone” conflict than is currently available in the literature. This builds on previous studies by examining the core characteristics of gray zone coercion. We then assess the similarities and differences between traditional deterrence concepts and contemporary gray zone coercion. In recent years, many scholars have focused on the need to “tailor” deterrence to the strategies, perceptions, and values systems of potential adversaries.¹ Building on this research, chapter two addresses three fundamental questions: Why are challengers to the United States utilizing gray zone coercion? What are the common characteristics of gray zone coercion? What choices are available to policymakers seeking to deter further gray zone coercion?

The third chapter consists of detailed case studies of nine incidents and crises involving gray zone coercion. Each case study includes a background discussion, a timeline, a detailed description of events, and key conclusions. The intent of the case studies is to establish a shared understanding of complex interactions where the facts have often been opaque or disputed. To ensure that the lessons are applicable across a variety of conditions, the cases studied here vary across time, subject of dispute, principal actors, and outcomes. Cases address collisions involving ships and aircraft, military operations in disputed waters and airspace, fishing and law enforcement activities in areas claimed by multiple parties, the use of economic and diplomatic leverage, and land reclamation and construction on disputed features. The nine cases include the 2009 harassment of the USNS *Impeccable*, 2010 Senkaku Islands trawler incident, 2012 Scarborough Shoal standoff, 2012 nationalization of the Senkaku Islands, 2013 announcement of an East China Sea Air Defense Identification Zone, 2014 harassment of Philippine forces near Second Thomas Shoal, 2014 China-Vietnam oil rig standoff, 2014 “Top Gun” incident, and Spratly Islands land reclamation and construction beginning in 2013.²

The final chapter makes specific policy recommendations based on the lessons learned from the examination of deterrence theory and the case studies. This last chapter identifies specific responses that the United States and regional states could take to deter specific acts of coercion and dissuade destabilizing patterns of behavior. These policy recommendations are based on a framework of four types of coercive incidents, allowing experts to tailor policy options to specific types of coercion. In addition to these proposals for deterring specific coercive incidents, this chapter also recommends a broader strategic deterrence framework for countering Chinese coercion writ

1. Colin Gray, *Maintaining Effective Deterrence* (Carlisle, PA: Army War College, 2003), 21, 31; Robert Jervis, “Deterrence, Rogue States, and the Bush Administration,” in *Complex Deterrence: Strategy in the Global Age*, ed. T. V. Paul, Patrick M. Morgan, and James J. Wirtz (Chicago: University of Chicago Press, 2009), 133–157; Jeffrey W. Knopf, “Wrestling with Deterrence: Bush Administration Strategy after 9/11,” *Contemporary Security Policy* 29, no. 2 (2008): 253–256; Patrick M. Morgan, *Deterrence Now* (Cambridge: Cambridge University Press, 2003), 66–67; M. Elaine Bunn, “Can Deterrence Be Tailored?,” *Strategic Forum* 225 (January 2007): 1–8.

2. Note: to minimize confusion, this report refers to disputed territory and waters using the official names of the U.S. Board of Geographic Names.

large. The authors hope that these policy recommendations can provide current and future leaders in the United States and East Asia insights about how to strengthen regional security and international order in the years ahead.

CHINESE COERCION IN MARITIME ASIA

Over the last decade, U.S. officials have noted an “unprecedented spike in risky activity by China.”³ As Iain Johnston and Taylor Fravel have observed, Chinese assertiveness in maritime disputes is not an entirely novel phenomenon.⁴ China fought brief but bloody skirmishes with Vietnam in 1974 and again in 1988 over claims in the South China Sea.⁵ China’s recent maritime coercion has targeted not only U.S. allies and partners in East Asia, but also U.S. forces, putting at risk both regional security and international order. Scholars generally agree that this recent resort to maritime coercion began in the last decade.⁶ As David Shambaugh has observed, “In 2009 a more assertive Chinese posture emerged on a wide range of bilateral, regional, and global issues.”⁷ Since then, Beijing has employed new tactics to advance its maritime claims and to challenge other actors operating in the seas and airspace near its coastline.⁸ Chinese activities appear explicitly designed to avoid triggering U.S. security commitments by exploiting ambiguity, asymmetry, and

3. *America’s Future in Asia: From Rebalancing to Managing Sovereignty Disputes*, Before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific (2014) (statement of Daniel Russel, Assistant Secretary of State, Bureau of East Asian and Pacific Affairs, U.S. Department of State); *Hearing on the U.S. Pacific Command and U.S. Forces Korea in Review of the Defense Authorization Request for FY 2015 and the Future Years Defense Program*, Before the Senate Armed Services Committee on U.S. Pacific Command Posture (2014) (statement of Samuel J. Locklear, III, U.S. Navy Commander, U.S. Pacific Command).

4. Alastair Iain Johnston, “How New and Assertive Is China’s New Assertiveness?,” *International Security* 37, no. 4 (Spring 2013): 7–48; M. Taylor Fravel, “Regime Insecurity and International Cooperation: Explaining China’s Compromises in Territorial Disputes,” *International Security* 30, no. 2 (October 2005): 46–83. Also see Michael Swaine, “China’s Assertive Behavior—Part One: On ‘Core Interests,’” *China Leadership Monitor*, no. 34 (Winter 2011); Michael Swaine and M. Taylor Fravel, “China’s Assertive Behavior—Part Two: The Maritime Periphery,” *China Leadership Monitor*, no. 35 (Summer 2011); Michael Swaine, “China’s Assertive Behavior—Part Three: The Role of the Military in Foreign Policy,” *China Leadership Monitor*, no. 36 (Winter 2012); Michael Swaine, “China’s Assertive Behavior—Part Four: The Role of the Military in Foreign Crises,” *China Leadership Monitor*, no. 37 (Spring 2012).

5. China’s behavior in its border disputes and its maritime disputes stand in stark contrast. Since 1949, China has agreed to negotiated settlements in 17 of its 23 territorial disputes, usually giving away more than half of the contested territory to its neighbors. See M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China’s Territorial Disputes* (Princeton, NJ: Princeton University Press, 2008); and Eric Hyer, *The Pragmatic Dragon: China’s Grand Strategy and Boundary Settlements* (Vancouver: University of British Columbia Press, 2015).

6. A study by Christopher Yung and Patrick McNulty, which collected data on all claimants and all the tactics that each employs to advance its interests in the South China Sea, found a clear increase in China’s resort to coercion in the form of paramilitary activities beginning in 2009. It then spiked sharply in 2012. Christopher D. Yung and Patrick McNulty, “An Empirical Analysis of Claimant Tactics in the South China Sea,” *Strategic Form* 289 (August 2015): 6; Swaine and Fravel, “China’s Assertive Behavior—Part Two.”

7. David Shambaugh, ed., *The China Reader: Rising Power* (Oxford: Oxford University Press, 2016), 376.

8. See Johnston, “How New and Assertive Is China’s New Assertiveness?”; Yung and McNulty, “An Empirical Analysis of Claimant Tactics in the South China Sea”; Swaine and Fravel, “China’s Assertive Behavior—Part Two.”

incrementalism. These efforts are slowly shifting the status quo by leveraging China's asymmetric strengths against U.S., ally, and partner weaknesses.⁹

Although some view gray zone incidents as isolated or defensive reactions to foreign provocations, many experts believe that Beijing's tactics are part of a broader strategy to gradually shift the status quo in China's favor.¹⁰ Clashes over disputed offshore features, exploitation of natural resources, harassment of fishermen, and operations in international waters and airspace have become commonplace in the East and South China Seas.¹¹ Although Vietnam, the Philippines, Japan, and others frequently report coercive Chinese actions, Beijing has typically avoided overt threats and evaded U.S. defense commitments. Fravel comments that China's strategy has included "efforts to prevent the escalation of tensions while nevertheless seeking to consolidate China's claims."¹² Many incidents of maritime coercion have failed to achieve China's short- or long-term objectives, but Beijing's increased assertiveness is nevertheless heightening the risk of conflict and undermining the rules-based order.

Chinese Objectives

The U.S. government identifies China's leadership as having six primary interests: perpetuating the Communist Party's rule, maintaining domestic stability, sustaining economic growth and development, defending national sovereignty and territorial integrity, securing China's status as a great power and ultimately reacquiring regional preeminence, and safeguarding China's interests abroad.¹³ Chinese activities in the East and South China Seas often satisfy multiple objectives.

9. Jacqueline Newmyer Deal, "China's Approach to Strategy and Long-Term Competition," in *Competitive Strategies for the 21st Century: Theory, History, and Practice*, ed. Thomas G. Mahnken (Stanford, CA: Stanford University Press, 2012), 147–167; Peng Guangqian and Yao Youzhi, eds., *Science of Military Strategy* (Beijing: Military Sciences Publishing, 2005); People's Republic of China, State Council, "The Diversified Employment of China's Armed Forces," press release, April 2013.

10. See Patrick M. Cronin et al., *Tailored Coercion: Competition and Risk in Maritime Asia* (Washington, DC: Center for a New American Security, 2014); Bonnie S. Glaser, "The Real 'Chinese Dream': Control of the South China Sea?," *National Interest* (December 16, 2014). Taking a different point of view, Ashley Townshend and Rory Medcalf argue, "Despite ongoing concern over China's 'maritime assertiveness,' Beijing has dialed back its more aggressive air and sea operations, eschewing risk-taking in favor of more calculated challenges to Asia's maritime order." Ashley Townshend and Rory Medcalf, *Shifting Waters: China's New Passive Assertiveness in Asian Maritime Security* (Sydney: Lowy Institute for International Policy, 2016), 4.

11. As Andy Yee argues, however, "there are subtle differences in China's approaches to disputes in the East and South China Seas," including the degree to which Washington has supported different allies. Andy Yee, "Maritime Territorial Disputes in East Asia: A Comparative Analysis of the South China Sea and the East China Sea," *Journal of Current Chinese Affairs* 40, no. 2 (2011): 188–189.

12. M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia* 33, no. 3 (2011): 292.

13. U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016* (Arlington, VA: DOD, 2016). Alternately, Michael Swaine and Ashley Tellis describe Chinese grand strategy as focused on three interrelated objectives: "preservation of domestic order and well-being . . . defense against persistent external threats to national sovereignty and territory; and . . . attainment and maintenance of geopolitical influence." Michael D. Swaine and Ashley J. Tellis, *Interpreting China's Grand Strategy: Past, Present, and Future* (Santa Monica, CA: RAND Corporation, 2000), x.

Given that these objectives are largely stable, many scholars question why Chinese policymakers have become more assertive in recent years.

Chinese leaders appear willing to use their newfound power much more actively, contrary to earlier efforts to “mute widespread concerns about how Beijing is likely to employ its growing capabilities.”¹⁴ Beijing’s 2015 white paper on Chinese military strategy begins by stating, “At this new historical starting point, China’s armed forces will adapt themselves to new changes in the national security environment.”¹⁵ Scholars typically attribute Beijing’s more assertive behavior to one of seven causes: new leadership preferences, domestic nationalism, bureaucratic competition, prestige-seeking, responses to actions by neighboring claimants or the United States, protection of trade and economic interests, or growing military capabilities.¹⁶ Each hypothesis is discussed in detail below.¹⁷

First, some scholars claim that Chinese objectives changed with the arrival of Xi Jinping to the senior ranks of China’s leadership. President Xi reportedly “directed efforts to socialize the region to accept China’s view of its ‘core interests’ and validated efforts to enforce PRC [People’s Republic of China] sovereignty and territorial claims against rival disputants.”¹⁸ Thus, Christopher Johnson notes that early in Xi’s tenure as general secretary of the Communist Party of China in 2012, “Chinese official media began making references to the concept of ‘great power diplomacy,’ which takes as its operating principle that Beijing should be wielding its newfound strategic heft in the manner of a traditional great power.”¹⁹ Robert Blackwill and Kurt Campbell suggest:

What sets Xi’s foreign policy apart the most is his willingness to use every instrument of statecraft . . . Xi’s decisive leadership style, his unmatched power within the political system, and his strong desire for vigorous Chinese diplomacy

14. Avery Goldstein, *Rising to the Challenge: China’s Grand Strategy and International Security* (Stanford, CA: Stanford University Press, 2005), 12.

15. People’s Republic of China, Ministry of National Defense, *China’s Military Strategy* (Beijing: State Council Information Office, 2015).

16. Speaking at the 2016 Shangri-La Dialogue, Admiral Sun Jianguo reiterated that “China’s South China Sea policy has not and cannot change.” Yet it seems clear that China has been more assertive in recent years, particularly through its widespread land reclamation. Conversely, Yasuhiro Matsuda suggests three possible alternatives: the ongoing power shift, a cycle of deterioration and amelioration, and a redefinition of strategic rivals. See Sun Jianguo, “The Challenges of Conflict Resolution: Admiral Sun Jianguo—English” (remarks, IISS Shangri-La Dialogue 2016 Fourth Plenary Session, Singapore, June 5, 2016); Yasuhiro Matsuda, “How to Understand China’s Assertiveness since 2009: Hypotheses and Policy Implications,” in *Strategic Japan: New Approaches to Foreign Policy and the U.S.-Japan Alliance*, ed. Michael J. Green and Zack Cooper (Washington, DC: Center for Strategic and International Studies, 2014), 7–34.

17. See Michael Yahuda, “China’s New Assertiveness in the South China Sea,” *Journal of Contemporary China* 22, no. 81 (May 2013): 446.

18. Timothy Heath, “Diplomacy Work Forum: Xi Steps Up Efforts to Shape a China-Centered Regional Order,” *China Brief* 13, no. 22 (November 2013).

19. Christopher K. Johnson, *Decoding China’s Emerging “Great Power” Strategy in Asia* (Washington, DC: Center for Strategic and International Studies, 2014).

have produced a foreign policy that is assertive, coordinated, and diversified across the instruments and targets of statecraft.²⁰

For these reasons, some Chinese scholars believe that “China’s more assertive foreign policy since 2009 can mainly be attributed to elite perceptions and leadership preferences.”²¹

Second, some scholars argue that Chinese assertiveness is driven by efforts to manage domestic nationalism. Rooting Chinese claims in ancient history, China’s Ministry of Foreign Affairs insists that “China has indisputable sovereignty over the South China Sea Islands . . . and the adjacent waters. Chinese activities in the South China Sea date back to over 2,000 years ago.”²² Many experts argue that China’s efforts to defend its maritime claims have important domestic political consequences for the Chinese Communist Party. Taylor Fravel and Michael Swaine note that China’s increasingly active media is placing greater domestic pressure on China’s leaders.²³ As You Ji contends, “Excessive mass reaction against Japan’s nationalization of the Diaoyu Islands in September 2012 sent a message to the Party that any soft response was simply not an option.”²⁴ Bonnie Glaser concurs that Beijing’s assertiveness is linked to the Chinese Communist Party’s political legitimacy, making it unlikely that China’s leaders will be willing or able to make major concessions.²⁵ Similarly, Tim Heath writes that Chinese leaders “likely feel [increasing] pressure to deliver the particulars of the long-promised national rejuvenation.”²⁶ However, Jessica Chen Weiss shows that nationalistic sentiment can both drive and be manipulated by national leaders.²⁷

Third, Chinese activity may be rooted in internal bureaucratic competition. When Chinese organizations compete for influence and resources, they may have incentives to take on more risk in international disputes. Since at least 2007, Chinese scholars have recognized that “the organizational setup of China’s maritime governance is not ideal. For a long time, there has been the

20. Robert D. Blackwill and Kurt M. Campbell, *Xi Jinping on the Global Stage: Chinese Foreign Policy under a Powerful but Exposed Leader* (New York: Council on Foreign Relations, 2016), 16–20.

21. Nien-Chung Chang Liao, “The Sources of China’s Assertiveness: The System, Domestic Politics, or Leadership Preferences?,” *International Affairs* 92, no. 4 (July 2016): 818. Also see Irene Chan and Li Mingjiang, “New Chinese Leadership, New Policy in the South China Sea Dispute?,” *Journal of Chinese Political Science* 20, no. 1 (March 2015): 35–50.

22. People’s Republic of China, Ministry of Foreign Affairs, “Position Paper of the Government of the People’s Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines” (Beijing: MFA, 2014).

23. Swaine and Fravel, “China’s Assertive Behavior—Part Two.”

24. You Ji, “The PLA and Diplomacy: Unraveling Myths about the Military Role in Foreign Policy Making,” *Journal of Contemporary China* 23, no. 86 (March 2014): 240.

25. Bonnie S. Glaser, “People’s Republic of China Maritime Disputes” (statement to the House Armed Services Subcommittee on Seapower and Projection Forces and the Foreign Affairs Subcommittee on the Asia Pacific, January 14, 2014).

26. Timothy R. Heath, “What Does China Want? Discerning the PRC’s National Strategy,” *Asian Security* 8, no. 1 (January 2012): 69. See also Timothy Heath, *China’s New Governing Party Paradigm: Political Renewal and the Pursuit of National Rejuvenation* (Farnham, UK: Ashgate Publishing, 2014).

27. Jessica Chen Weiss, *Powerful Patriots: Nationalist Protest in China’s Foreign Relations* (New York: Oxford University Press, 2014).

situation of ‘a group of dragons stirring up the sea’: in every situation there are multiple agencies involved, each with their own competence and scope of jurisdiction overlapping.”²⁸ This line of thinking suggests that there is serious competition within and among the People’s Liberation Army (PLA), the newly unified China Coast Guard, and other Chinese agencies. These groups compete for the role of safeguarding China’s maritime rights and interests, which is critical for their funding and influence. Linda Jakobson argues that rather than a deliberate strategy, China’s “unpredictable” maritime behavior is being driven by “systematic and fractured authority,” leaving “substantial room for myriad maritime security actors to push their own agendas.”²⁹ Other experts disagree, believing that “the clear pattern of bullying and intimidation of the other claimants is evidence of a top leadership decision to escalate China’s coercive diplomacy.”³⁰

Fourth, recent Chinese behavior may be driven by a growing desire for prestige and status. In 2012, then-president Hu Jintao reported to the 18th Party Congress that the Communist Party should “build China into a strong maritime power.”³¹ Robert Ross has labeled this phenomenon “naval nationalism” and described how “the pursuit of status encouraged past land powers to seek great power maritime capabilities.”³² Adam Liff likewise argues that Chinese leaders seek prestige commensurate with their growing power.³³ Indeed, under Xi Jinping, China has pursued two centenary goals: doubling China’s gross domestic product and income levels to build a “moderately prosperous society” by 2020, and achieving the “great renewal of the Chinese nation” by 2049.³⁴ President Xi’s description of the “Chinese Dream” of national rejuvenation and development of comprehensive national power includes an element of status. Moreover, scrutiny of Beijing’s white papers makes clear the growing importance of sovereignty on its maritime periphery.³⁵ Thus, China’s assertiveness may be driven from a desire to achieve great power status and prestige. As Foreign Minister Yang Jiechi told members of the Association of Southeast Asian Nations (ASEAN) in 2010, “China is a big country and other countries are small countries, and that’s just a fact.”³⁶

Fifth, Beijing may perceive itself to be caught in a security dilemma, viewing its own actions as reasonable and defensive responses to actions by its neighbors or the United States. For example,

28. Lyle J. Goldstein, *Five Dragons Stirring up the Sea: Challenge and Opportunity in China’s Improving Maritime Enforcement Capabilities* (Newport, RI: U.S. Naval War College, 2010), 5.

29. Linda Jakobson, *China’s Unpredictable Maritime Security Actors* (Sydney: Lowy Institute for International Policy, 2014), 1–2.

30. Bonnie Glaser, “Beijing as an Emerging Power in the South China Sea” (statement to the House Committee on Foreign Affairs, September 12, 2012).

31. “Full Text of Hu Jintao’s Report at the 18th Party Congress,” Xinhua, November 17, 2012.

32. Robert S. Ross, “China’s Naval Nationalism: Sources, Prospects, and the U.S. Response,” *International Security* 34, no. 2 (September 2009): 46.

33. In addition to Liff’s forthcoming book, *Constructing Power: Norms, International Conflict, and the Military Trajectories of Rising Powers*, see also Adam Liff and G. John Ikenberry, “Racing toward Tragedy?: China’s Rise, Military Competition in the Asia-Pacific, and the Security Dilemma,” *International Security* 39, no. 2 (2014): 52–91.

34. Li Keqiang, “Report on the Work of the Government” (speech, Fourth Session of the 12th National People’s Congress, March 5, 2016).

35. Daniel M. Hartnett, *China’s 2012 White Paper: Panel Discussion Report* (Arlington, VA: CNA Corporation, 2013).

36. John Pomfret, “U.S. Takes a Tougher Tone with China,” *Washington Post*, July 30, 2010.

Foreign Minister Wang Yi argued in 2013 that “the predicaments in the current Sino-Japanese relations have been triggered and caused by the Japanese side.”³⁷ In 2011, Thomas Christensen wrote, “Beijing—with a few important exceptions—has been reacting, however abrasively, to unwelcome and unforeseen events that have often been initiated by others.”³⁸ Fravel and Swaine also note that Chinese leaders believe that other claimants in the region have become more aggressive in recent years.³⁹ Iain Johnston argues that China’s increase in presence activities was “perhaps triggered by more proactive efforts by other claimants to legalize their claims through declarations and actions relating to the United Nations Convention on the Law of the Sea.”⁴⁰ Actions by Japan, the Philippines, and Vietnam are often cited as the cause of Chinese activities, which Chen Dingding calls “reactive assertiveness.”⁴¹ Chinese officials and scholars frequently argue that greater U.S. involvement has encouraged other claimants to be more assertive.⁴² Furthermore, some frame Chinese actions as a response to the U.S. rebalance, which some in Beijing view as an effort to counter China’s rising power.⁴³

Sixth, Chinese actions may be motivated by the desire to safeguard overseas economic interests. Beijing recognizes that the East and South China Seas are vital to its ability to stimulate economic growth as part of President Xi’s Maritime Silk Road initiative. Particularly in light of public discussions about a hypothetical U.S. blockade in the event of a major conflict, it is only natural that Beijing would seek greater control over its trading routes.⁴⁴ As the influential PLA Academy of Military Science’s 2013 *Science of Military Strategy* states, “Today and for a long time to come, our country’s national interests are expanding mainly in the sea, national security is threatened mainly from the sea, the focal point of military struggle is mainly in the sea.”⁴⁵ Growing economic interests therefore provide Chinese leaders with greater incentive to safeguard sea lines of communication and to develop power projection capabilities ranging from its “near seas” to the Indian Ocean and beyond.⁴⁶ Seen through this lens, Chinese efforts to pursue claims and contest foreign

37. Michael D. Swaine, “Chinese Views and Commentary on Periphery Diplomacy,” *China Leadership Monitor* 44 (Summer 2014): 15–16.

38. Thomas J. Christensen, “The Advantages of an Assertive China: Responding to Beijing’s Abrasive Diplomacy,” *Foreign Affairs* 90, no. 2 (March–April 2011).

39. Swaine and Fravel, “China’s Assertive Behavior—Part Two.”

40. Johnston, “How New and Assertive Is China’s New Assertiveness?,” 45–46.

41. Chen Dingding, “Shangri-La 2015: Why We Didn’t See a U.S.-China Showdown,” *Diplomat*, June 1, 2015.

42. For a representative perspective, see “Commentary: Time to End South China Sea Arbitration Farce,” Xinhua, July 12, 2016.

43. See, for example, Wu Xinbo, “Not Backing Down: China Responds to the U.S. Rebalance to Asia,” *Global Asia* 7, no. 4 (Winter 2012); Xue Li and Xu Yanzhuo, “How the U.S. Misjudged the South China Sea, Part I,” *Diplomat*, August 4, 2016; Xue Li and Xu Yanzhuo, “How the U.S. Misjudged the South China Sea, Part II,” *Diplomat*, August 5, 2016.

44. See T. X. Hammes, “America’s Ultimate Strategy in a Clash with China,” *National Interest*, June 10, 2014; Sean Mirski, “Stranglehold: The Context, Conduct, and Consequences of an American Naval Blockade of China,” *Journal of Strategic Studies* 36, no. 3 (June 2013): 385–421; Evan B. Montgomery, “Reconsidering a Naval Blockade of China: A Response to Mirski,” *Journal of Strategic Studies* 36, no. 4 (August 2013): 615–623.

45. People’s Republic of China, PLA Academy of Military Science, *The Science of Military Strategy* (Beijing: Military Science Press, 2013), 209.

46. Michael McDevitt, *Becoming a Great ‘Maritime Power’: A Chinese Dream* (Arlington, VA: CNA Corporation, 2016).

maritime activities may be primarily intended to protect its geoeconomic interests. Beijing also stands to benefit economically if it can use its more global presence to expand opportunities for trade in the Middle East, Africa, and elsewhere.⁴⁷

Seventh, China's rising power may be encouraging its leaders to adopt more expansive national objectives, including in the East and South China Seas. In 2015, the PLA Navy's strategy explicitly shifted more in the direction of "open seas protection."⁴⁸ Oriana Mastro therefore suggests, "China's assertive behavior is the manifestation of a deliberate long-term strategy."⁴⁹ Similarly, Toshi Yoshihara and James Holmes argue that Beijing is naturally increasing its focus on the East and South China Seas as China becomes more powerful.⁵⁰ While many scholars question whether Beijing is capable of grand strategy, China's tactics of maritime coercion seem to fit with long-term geostrategic goals. Enabled by two decades of double-digit annual increases in defense spending and infused with doctrine from Alfred Thayer Mahan to Mao Zedong, Chinese strategic thought encourages unimpeded access extending out from the Chinese coastline into the Pacific and Indian Oceans.⁵¹ Andrew Nathan and Andrew Scobell affirm that Beijing thinks of its security challenges and objectives as organized into concentric rings and seeks to keep U.S. military power away from its borders and shores.⁵² The first objective in such a strategy might be securing the so-called Near Seas (the East and South China Seas and the Yellow Sea) by incrementally extending Chinese denial capabilities to the First Island Chain (stretching from Japan through Taiwan and the Philippines). Eventually China might seek physical control within this area and extend denial capabilities to the Second Island Chain (stretching from Japan south through Guam). In addition, China might seek to weaken the hub-and-spoke system of U.S. bilateral alliances by demonstrating the ineffectiveness of U.S. security commitments.⁵³

In summary, leaders in Beijing may be motivated by leadership preferences, nationalism, bureaucratic competition, prestige, insecurity, economic interests, or China's rising power. The drivers of

47. U.S. Department of Defense, *Annual Report to Congress: 2016*, 7.

48. People's Republic of China, Ministry of National Defense, *China's Military Strategy*.

49. Oriana Skylar Mastro, "Why Chinese Assertiveness Is Here to Stay," *Washington Quarterly* 37, no. 4 (October 2014): 155–157.

50. Toshi Yoshihara and James Holmes, *Red Star over the Pacific: China's Rise and the Challenge to U.S. Maritime Strategy* (Annapolis, MD: Naval Institute Press, 2011), 29–31; Bernard D. Cole, *The Great Wall at Sea: China's Navy in the Twenty-First Century* (Annapolis, MD: Naval Institute Press, 2010), 165–168; Jeffrey B. Goldman, "China's Mahan," *Proceedings* 122 (1996): 44–47; Jun Zhan, "China Goes to the Blue Waters: The Navy, Seapower Mentality, and the South China Sea," *Journal of Strategic Studies* 17, no. 3 (1994): 189–191; Andrew Erickson, "China's Near-Seas Challenges," *National Interest* 149 (January–February 2014).

51. See Randall Schriver and Mark Stokes, *Evolving Capabilities of the Chinese People's Liberation Army: Consequences of Coercive Aerospace Power for United States Conventional Deterrence* (Arlington, VA: Project 2049 Institute, 2008); also see Ian Easton, *China's Military Strategy in the Asia-Pacific: Implications for Regional Stability* (Arlington, VA: Project 2049 Institute, 2013).

52. Andrew J. Nathan and Andrew Scobell, "How China Sees America: The Sum of Beijing's Fears," *Foreign Affairs* 91, no. 5 (September–October 2012); Andrew J. Nathan and Andrew Scobell, *China's Search for Security* (New York: Columbia University Press, 2012).

53. See Peter Dutton, Andrew S. Erickson, and Ryan Martinson, eds., *China's Near Seas Combat Capabilities* (Newport, RI: Naval War College, 2014).

Chinese assertiveness are not mutually exclusive and Chinese actions are likely driven by multiple factors. Chinese objectives, however, are only one part of the puzzle. Another important question is how Chinese capabilities have grown and changed, enabling its gray zone behavior.

Chinese Capabilities

Understanding Chinese capabilities in maritime Asia is just as important as divining Chinese motivations. For decades, analysts have studied China's military modernization and its implications for the United States and its allies and partners.⁵⁴ Scholars have noted how the PLA accelerated its technological innovation following assessments of U.S. military advantages during the 1991 Gulf War.⁵⁵ In particular, the PLA focused on the potential value of precision-guided weapons and advanced intelligence, surveillance, and reconnaissance capabilities. Beijing's military backwardness was also laid bare by the 1995–1996 Taiwan Straits Crisis, during which the United States deployed two U.S. carrier battle groups near the Taiwan Strait.⁵⁶

Over the last two decades, China has developed anti-access/area denial capabilities, such as submarines; land-attack cruise missiles; anti-ship ballistic missiles; long-range surface-to-air missiles; anti-satellite weapons; cyber warfare capabilities; and long-range intelligence, surveillance, and reconnaissance assets.⁵⁷ With these capabilities, Chinese leaders have sought to increase the vulnerability of U.S. bases and forward-deployed forces. Although Chinese forces are increasingly operating throughout the Indo-Pacific and beyond, the main challenge they pose to U.S. forces is within the First Island Chain.⁵⁸ By 2012, at the time of several disputes in the region, the PLA Navy was already the largest of any Asian power, with approximately 60 destroyers and frigates, 35 submarines, 51 amphibious ships, and 67 missile-equipped small combatants in its East and South

54. See, for example, Thomas G. Mahnken, ed., *Competitive Strategies for the 21st Century: Theory, History, and Practice* (Stanford, CA: Stanford University Press, 2012); Michael D. Swaine et al., *China's Military and the U.S.-Japan Alliance in 2030: A Strategic Net Assessment* (Washington, DC: Carnegie Endowment for International Peace, 2013); Wu Xinbo and Michael Green, "Regional Security Roles and Challenges," in *Debating China: The U.S.-China Relationship in Ten Conversations*, ed. Nina Hachigian (New York: Oxford University Press, 2014), 198–220.

55. David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects* (Berkeley: University of California Press, 2002), 69–74.

56. The crisis laid bare Beijing's relative weakness on the high seas and left China's top leaders with a desire to blunt the United States' military reach in the Pacific. James R. Holmes, "The State of the U.S.-China Competition," in Mahnken, *Competitive Strategies for the 21st Century*, 135.

57. Andrew Krepinevich, Barry Watts, and Robert Work, *Meeting the Anti-Access and Area-Denial Challenge* (Washington, DC: Center for Strategic and Budgetary Assessments, 2003). Also see U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2013* (Arlington, VA: DOD, 2013), i; Jan van Tol et al., *AirSea Battle: A Point-of-Departure Operational Concept* (Washington, DC: Center for Strategic and Budgetary Assessments, 2010), 17–22; Evan B. Montgomery, "Contested Primacy in the Western Pacific: China's Rise and the Future of U.S. Power Projection," *International Security* 38, no. 4 (2014), 115–149.

58. Van Tol et al., *AirSea Battle*, 13–15; Roger Cliff et al., *Entering the Dragon's Lair: Chinese Anti-Access Strategies and Their Implications for the United States* (Santa Monica, CA: RAND Corporation, 2007); Roger Cliff, "Anti-Access Measures in Chinese Defense Strategy" (statement to the U.S.-China Economic and Security Review Commission, January 27, 2011).

Sea Fleets alone.⁵⁹ Moreover, since late 2015 the People's Liberation Army has been undergoing sweeping organizational reforms that will eventually increase Beijing's ability to marshal a more "credible joint warfighting entity" in pursuit of its national objectives.⁶⁰ These capabilities have emboldened leaders like the commander of the PLA Navy, Admiral Wu Shengli, who warned his U.S. counterpart, "Any attempt to force China to give in through flexing military muscles will only have the opposite effect."⁶¹

For many years, U.S. officials have focused primarily on "high end" military threats from China. However, China's "low level" coercion and nonmilitary capabilities are increasingly important as Beijing employs paramilitary forces to gradually alter the status quo. In most cases, China's maritime law enforcement agencies, maritime militia, and fishing fleet have taken the lead in asserting Beijing's claims.⁶² For example, the Tanmen Maritime Militia, which Andrew Erickson and Conor Kennedy have labeled China's "little blue men," is a highly active force for advancing Chinese claims in maritime Asia.⁶³ Moreover, these nonmilitary capabilities have been rapidly developed. China Marine Surveillance's South China Sea Bureau began conducting regular "rights protection" patrols in the region in 2008, logging 14 patrols that year, 28 in 2009, 36 in 2010, 48 in 2011, and 58 in 2012.⁶⁴ By 2012, China had six vessels operating in the South China Sea at any given time. Around the same time, Fisheries Law Enforcement Command units in the South China Sea also began accompanying fishing fleets headed to disputed maritime areas.⁶⁵ In 2013, China created a new umbrella agency called the China Coast Guard that unified four of its five previously

59. U.S. Department of Defense, *Annual Report to Congress: 2013*, 76.

60. Philip C. Saunders and Joel Wuthnow, "China's Goldwater-Nichols? Assessing PLA Organizational Reforms," *Strategic Forum* 294 (April 2016): 1.

61. Sam LaGrone, "PLAN's Wu to CNO Richardson: Beijing Won't Stop South China Sea Island Building," *USNI News*, July 18, 2016.

62. Michael McDevitt, *The South China Sea: Assessing U.S. Policy and Options for the Future* (Arlington, VA: CNA Corporation, 2014).

63. Andrew S. Erickson and Conor Kennedy, "Directing China's 'Little Blue Men': Uncovering the Maritime Militia Command Structure," Asia Maritime Transparency Initiative, September 11, 2015.

64. "央视首次曝光中国海监船南海撞击越南船只画面" (CCTV Reveals Pictures for the First Time of a China Marine Surveillance Vessel Striking Vietnamese Ships in the South China Sea), *NetEase*, January 4, 2014.

65. This convoy system (伴随式) has been enabled by the systemic installment of satellite navigation and communications hardware on civilian fishing vessels since 2006. This equipment gives government agencies like Fisheries Law Enforcement Command and the Ministry of Public Security's Border Defense Coast Guard greater power to both control the civilian fleet (e.g., gathering intelligence on foreign vessels, quickly responding to distress calls, and ensuring safety) and restrain it (e.g., warning against crossing maritime borders). By the end of 2013, agencies had installed China's indigenous Beidou satellite navigation system on more than 50,000 Chinese fishing vessels. Boat captains themselves paid no more than 10 percent of the cost. Chinese authorities also offer fuel subsidies to encourage private fishermen to sail to disputed areas. See CCTV-4, "深情守护" (Devoted Guardians), episode 4, *Journey to the South China Sea*, CCTV-4, December 2013, available (in Chinese) at <http://news.cntv.cn/special/nhxx/>; Ryan D. Martinson, "From Words to Actions: The Creation of the China Coast Guard" (paper presented at the China as a "Maritime Power" Conference, Arlington, VA, July 28–29, 2015), 21–22; "Chinese Fishermen Recall Clash with Philippine Navy," *China Daily Europe*, April 18, 2012; John Rutwitch, "Satellites and Seafood: China Keeps Fishing Fleet Connected in Disputed Waters," *Reuters*, July 27, 2014.

independent maritime law enforcement agencies.⁶⁶ Lyle Goldstein notes that at the time, China's South China Sea maritime law enforcement fleet already counted 4 larger cutters (3,500 + tons), 5 midsize cutters, 43 midsize cutters, and 80 smaller craft.⁶⁷ Ryan Martinson has logged the addition of several additional large cutters in recent years, a shipbuilding spree that outpaces all other regional states.⁶⁸

China typically uses its capabilities in concert, with fishermen and maritime militia acting as the first line of defense, the China Coast Guard as the second line, and the military as a force of last resort. One Chinese military academic has called this a "cabbage" strategy, referring to the layer-by-layer approach by which pressure can be brought upon disputed territory and waters. Christopher Yung and Patrick McNulty find that China uses military and paramilitary tactics in disputes more frequently than all other states bordering the South China Sea combined.⁶⁹ This strategy has been effective because it leverages China's strong coast guard capabilities against the lesser capabilities of weaker states. A crucial feature of the Chinese approach is the avoidance of direct involvement by the PLA Navy, whenever possible. The growing number and size of China's coast guard vessels, including at least two 12,000-ton vessels—larger than U.S. Navy cruisers—provides more ways to intimidate claimants that operate smaller vessels, and few of them.⁷⁰ In short, China uses its asymmetric advantages to place neighboring states in positions in which they must either accept Chinese moves or escalate, placing those neighbors and the United States in a disadvantageous position.

In addition to its military, paramilitary, and law enforcement capabilities, Beijing has also used a variety of other means to pressure its neighbors. Scholars have detailed various claimant tactics in maritime Asia, including paramilitary, economic, diplomatic, legal, informational, and administrative activities.⁷¹ Among these, Dean Cheng argues that one of China's most important approaches is the "Three Warfares" strategy, through which China uses public opinion, psychological warfare, and legal warfare "as an offensive weapon capable of hamstringing opponents and seizing the political initiative in wartime."⁷² Indeed, former president Jiang Zemin famously advised Chinese

66. Only the Ministry of Transport's maritime law enforcement agencies, including the Maritime Safety Administration, remained independent following the merger. Martinson, "From Words to Actions," 27.

67. Goldstein, *Five Dragons Stirring up the Sea*, 5.

68. For comparison, the Philippines' maritime posture is still limited. Many of the navy's 64 frigates and patrol and coastal combatants are World War II legacy craft. In 2011, Manila received the first of three 3,300-ton *Hamilton*-class U.S. Coast Guard cutters as an excess defense article. This was the only vessel capable of long-distance patrol at the time of the Scarborough Standoff in 2012. Martinson, "From Words to Actions," 12–14; James Hookway, "Philippine Warship in Standoff with China Vessels," *Wall Street Journal*, April 11, 2012; "Teodoro Tells Philippine Navy on Its 111th Anniversary: 'Exceed Your Achievements,'" *Balita*, May 22, 2009; *The Military Balance 2012* (London: International Institute for Strategic Studies, 2012), 276–277; "Asia's Coast Guards," AMTI Issue 11, Asia Maritime Transparency Initiative, April 1, 2015.

69. Yung and McNulty, "An Empirical Analysis of Claimant Tactics in the South China Sea."

70. Ronald O'Rourke, *Coast Guard Cutter Procurement: Background and Issues for Congress*, CRS Report R42567 (Washington, DC: Congressional Research Service, 2016), 23.

71. Yung and McNulty, "An Empirical Analysis of Claimant Tactics in the South China Sea," 2.

72. Dean Cheng, "Winning without Fighting: Chinese Legal Warfare," Heritage Foundation, May 21, 2012.

lawyers in 1996, “We must be adept at using international law as ‘a weapon’ to defend the interests of our state and maintain national pride.”⁷³ James Kraska and Brian Wilson argue that Beijing has attempted to “shape international opinion in favor of a distorted interpretation of the Law of the Sea” that limits foreign military activities in exclusive economic zones beyond territorial seas.⁷⁴ Peter Dutton has also described five rungs of the ladder in China’s approach to dispute resolution, including bilateral negotiations, multilateral negotiations, international arbitration, nonmilitarized coercion, and finally armed conflict.⁷⁵

In addition to “lawfare,” Chinese leaders have used diplomatic and economic pressure to resolve disputes in their favor. For example, Vice Admiral Yuan Yubai, commander of the PLA Navy’s North Sea Fleet, noted in 2015, “The South China Sea, as the name indicate[s] . . . belongs to China.”⁷⁶ More recently, in response to Philippine efforts to bring China before the Permanent Court of Arbitration, Beijing launched a major effort to oppose the arbitral tribunal’s ruling.⁷⁷ This is a far cry from Bates Gill’s description of “China’s new security diplomacy” just a few years earlier, which was intended to “alleviate external tensions in order to address challenges on the domestic front, reassure neighbors about China’s peaceful intentions, and find ways to quietly balance the United States.”⁷⁸ Furthermore, Beijing has sometimes appeared to use economic pressure to force regional claimants to change their behavior in maritime crises.⁷⁹ As James Reilly notes, “China has repeatedly used foreign policy tools to advance its economic interests. Now, Beijing is also beginning to reverse this equation by deploying its vast economic wealth to support foreign policy goals.”⁸⁰ Conversely, some scholars argue that China intentionally uses territorial disputes to gain leverage in other issue areas.⁸¹ In this way, such coercive diplomacy may undermine regional interests beyond maritime Asia.

73. Jonathan G. Odom, “A China in a Bull Shop? Comparing the Rhetoric of a Rising China with the Reality of the International Law of the Sea,” *Ocean and Coast Law Journal* 17, no. 2 (2012): 201–251.

74. James Kraska and Brian Wilson, “China Wages Maritime ‘Lawfare,’” *Foreign Policy*, March 12, 2009. Meanwhile, China has rejected international arbitration efforts. See Jerome Cohen, “Forecasting the Aftermath of a Ruling on China’s Nine-Dash Line,” *Foreign Policy*, April 20, 2016.

75. Peter A. Dutton, “China’s Maritime Disputes in the East and South China Seas” (statement to the U.S.-China Economic and Security Review Committee, April 4, 2013). Also see Orde F. Kittrie, *Lawfare: Law as a Weapon of War* (Oxford: Oxford University Press, 2015).

76. Marcus Weisgerber, “Defiant Chinese Admiral’s Message: South China Sea ‘Belongs to China,’” *Defense One*, September 14, 2015.

77. See, for example, “Arbitration Support Tracker,” Asia Maritime Transparency Initiative, July 16, 2016.

78. Bates Gill, *Rising Star: China’s New Security Diplomacy* (Washington, DC: Brookings Institution, 2010), 13.

79. This issue is discussed in detail in the case studies in Chapter 3, particularly as regards Japan and the Philippines. On this broader point, see Juan Zarate, *Treasury’s War: The Unleashing of a New Era of Financial Warfare* (New York: PublicAffairs, 2013); Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Belknap Press, 2016); and William J. Norris, *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control* (Ithaca, NY: Cornell University Press, 2016).

80. James Reilly, “China’s Unilateral Sanctions,” *Washington Quarterly* 35, no. 4 (October 2012): 121–133.

81. Krista E. Wiegand, “China’s Strategy in the Senkaku/Diaoyu Islands Dispute: Issue Linkage and Coercive Diplomacy,” *Asian Security* 5, no. 2 (June 2009): 170–193.

In summary, leaders in Beijing have used a variety of means to try to accomplish their objectives in maritime Asia.⁸² China's new assertiveness has in turn called into question the capability and commitment of the United States to protect its own interests in the region.

U.S. INTERESTS IN MARITIME ASIA

China's maritime coercion directly undermines several U.S. interests in Asia. Since the end of the Second World War, the United States has pursued three interrelated interests in Asia.⁸³ First, U.S. leaders have sought to protect the security of the American people and that of U.S. allies. Second, U.S. leaders have attempted to expand trade and economic opportunity. Third, U.S. leaders have supported the rule of law and universal democratic norms. Leaders in Washington have often summarized these interests as "security, prosperity, and values."⁸⁴ These interests translate directly into a set of U.S. objectives in maritime Asia, which are described in detail below.

U.S. Objectives

Maritime coercion is undermining U.S. regional security interests. The U.S. Department of Defense's 2015 *Asia-Pacific Maritime Security Strategy* identified three U.S. maritime objectives: "to safeguard freedom of the seas; deter conflict and coercion; and promote adherence to international law and standards."⁸⁵ Chinese coercion calls into question all of these aims. First, by challenging regional rules and norms, Chinese maritime coercion threatens to undermine the existing regional order by altering the status quo through pressure and force. Second, Chinese assertiveness exacerbates the short-term risk of conflict, particularly in maritime Asia. Third, China's pressure on U.S. allies and partners could undermine the hub-and-spokes system of bilateral regional relationships by demonstrating insufficient U.S. capacity and willpower, or the weakness of alliance solidarity. Fourth, Chinese assertiveness has raised concerns about the continued viability of freedom of navigation and economic access throughout the region. Fifth, China's coercive behavior might represent a fundamental threat to regional order in Asia.⁸⁶ A central goal of U.S. strategy over the last century has been to prevent the rise of a hostile hegemon on the Eurasian

82. For one assessment of China's likely path if it gains hegemony, see Feng Zhang, *Chinese Hegemony: Grand Strategy and International Institutions in East Asian History* (Stanford, CA: Stanford University Press, 2015).

83. For an earlier description of U.S. interests in Asia, see Michael Green et al., *Asia-Pacific Rebalance 2025: Capabilities, Presence, and Partnerships* (Washington, DC: Center for Strategic and International Studies, 2016), 10.

84. Barack Obama, *National Security Strategy* (Washington, DC: White House, 2015). Also see David J. Berteau, Michael J. Green, and Zack Cooper, *Assessing the Asia-Pacific Rebalance* (Washington, DC: Center for Strategic and International Studies, 2014).

85. U.S. Department of Defense, *The Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment* (Arlington, VA: DOD, 2015), 1.

86. Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W. W. Norton, 2012); Yuen Foong Khong, "Primacy or World Order? The United States and China's Rise—A Review Essay," *International Security* 38, no. 3 (January 2014): 153–75; Evelyn Goh, *The Struggle for Order: Hegemony, Hierarchy, and Transition in Post-Cold War East Asia* (Oxford: Oxford University Press, 2013).

continent.⁸⁷ Seen in this light, managing China's reemergence as a great power represents the primary strategic challenge for the United States and Asian security writ large.

Chinese coercion also calls into question U.S. economic interests in Asia. By 2015, the combined gross domestic product of East Asia and the Pacific region exceeded \$20 trillion.⁸⁸ U.S. economic ties to Asia have grown during this historic economic rise. The region's prosperity and economic openness, as well as the free flow of commerce, are vital to U.S. and international economic growth. Approximately \$1.2 trillion in shipborne goods bound for the United States pass through the South China Sea each year, and 35 percent of global seaborne petroleum travels through the Malacca Strait alone.⁸⁹ Asia's economic growth would not have been possible, in turn, without a stable international environment resting on strong and equitable rules and norms that establish parameters for countries to compete without conflict. The United States therefore has a strong economic interest in protecting Asia's rules-based system.⁹⁰

In sum, countering coercion in maritime Asia is vital to both U.S. security and prosperity. If the United States fails to develop an effective strategy for responding to coercion, the likelihood that it will be able to preserve its interests in the Asia Pacific will decline. If U.S. allies and partners question U.S. commitment or resolve, they are more likely to succumb to acute fears of alliance abandonment and bandwagon with China. Alternatively, these states might develop certain military capabilities that would be inimical to U.S. interests, or take risky actions that could threaten to entrap the United States in a broader conflict. Furthermore, as China's importance to regional economies grows, Beijing's leverage in these disputes will increase apace. Therefore, it is critical that U.S. leaders develop new approaches to deterring Chinese maritime coercion.⁹¹

U.S. Capabilities

In seeking to uphold U.S. objectives in maritime Asia, the United States has a range of tools for responding to coercion. These include military, paramilitary, diplomatic, economic, legal, and

87. On this point, see Graham Allison, Dimitri Simes, and James Thomson, *America's National Interests: A Report from the Commission on America's National Interests* (Cambridge, MA: Belfer Center for Science and International Affairs, 1996).

88. "East Asia & Pacific," World Bank, accessed August 22, 2016, <http://data.worldbank.org/region/east-asia-and-pacific>.

89. "Trade and Resources in the Indian Ocean," Asia Maritime Transparency Initiative, summer 2016; U.S. Department of Defense, *Asia-Pacific Maritime Security Strategy*, 1.

90. *America's Future in Asia* (statement of Daniel Russel).

91. Note that the policy recommendations contained in this report are not intended to balance China's rise, but rather to deter Chinese coercion. Conversely, Robert Blackwill and Ashley Tellis suggest that

the United States should substantially modify its grand strategy toward China—one that at its core would replace the goal of concentrating on integrating Beijing into the international system with that of consciously balancing its rise—as a means of protecting simultaneously the security of the United States and its allies, the U.S. position at the apex of the global hierarchy, and the strength of the liberal international order, which is owed ultimately to the robustness of American relative power.

Robert D. Blackwill and Ashley J. Tellis, *Revising U.S. Grand Strategy toward China* (New York: Council on Foreign Relations, 2015), 18.

strategic communications policy options. The United States often relies on the use, threat of use, and/or posturing of armed forces to stop or deter threatening behavior.⁹² Military capabilities allow the United States to leverage its most obvious advantage over China—superior high-end military capabilities. If leaders in Washington are determined to deter Chinese coercion, they have the ability to demonstrate to China that the risks of military escalation are substantial. For example, in early 2016, U.S. officials made deterrent threats to convince Beijing that Washington would escalate militarily if China attempted to reclaim land at Scarborough Shoal. U.S. leaders placed a U.S. carrier strike group in the South China Sea and flew A-10s from the Philippines to the shoal.⁹³ Despite concern about possible Chinese land reclamation, none occurred. This use of “gray hulls” (military vessels) is a form of vertical escalation. Such options may be useful to force leaders in Beijing to consider whether their actions might lead to a conflict crossing the threshold to war.

U.S. policymakers often prefer vertical military escalation, but some scholars prefer horizontal escalation “better suited to the application of one’s strength against adversary weakness.”⁹⁴ Horizontal escalation can threaten Chinese interests in domains in which the United States has clear asymmetric advantages. Moreover, Beijing has repeatedly used the threat of horizontal escalation, including economic pressure, against its neighbors in maritime Asia. U.S. policymakers, however, have thus far avoided placing at risk Chinese interests in other domains. By threatening horizontal escalation, the United States could ensure that China pays a penalty when it undermines regional order.⁹⁵ Potential horizontal options generally fall within five nonmilitary areas: paramilitary, economic, legal, diplomatic, and strategic communications.

One underused U.S. capability is the use, threat of use, or posturing of state-directed nonmilitary forces, such as coast guards. Beijing has actively used these types of paramilitary tools in maritime disputes, often employing coast guard and other government vessels. The primary deployable nonmilitary force available to the U.S. government is the U.S. Coast Guard. Yet, limitations on its budget, mission, and personnel have restricted the Coast Guard’s use in the Pacific, particularly as ships have been required to backfill missions formerly conducted by U.S. Navy assets that are now being shifted from Latin America to Asia. Therefore, there is limited opportunity for the U.S. Coast Guard to deter Chinese coercion. Some states, such as Japan and Vietnam, do have highly capable coast guards able to respond to Chinese pressure. However, if China’s maritime capabilities continue to grow, they will likely outpace even the most capable of regional states.

Another sometimes underused capability to impose a cost on coercion is diplomatic policies. Chinese leaders have managed to limit direct criticism from multilateral groups such as ASEAN. Yet, as demonstrated by Beijing’s efforts to undermine regional support for the July 2016 arbitral

92. Nadia Schadlow, “Peace and War: The Space Between,” *War on the Rocks*, August 18, 2014.

93. See Zack Cooper and Jake Douglas, “Successful Signaling at Scarborough Shoal?,” *War on the Rocks*, May 2, 2016.

94. As John Lewis Gaddis explains, “Symmetrical response simply means reacting to threats to the balance of power at the same location, time, and level of the original provocation. Asymmetrical response involves shifting the location or nature of one’s reaction.” John Lewis Gaddis, “Containment: Its Past and Future,” *International Security* 5, no. 4 (Spring 1981): 80.

95. See Thomas G. Mahnken, *Cost-Imposing Strategies: A Brief Primer* (Washington, DC: Center for a New American Security, 2014).

tribunal decision, Chinese leaders do care about diplomatic criticism and precedent. Therefore, leaders in Washington and elsewhere may want to increase China's diplomatic costs for continuing coercion. Recent statements by the G20 and other groups demonstrate that diplomatic pressure can be rallied, if world leaders think Chinese activities are destabilizing. The U.S. response to Chinese maritime coercion must be embedded in Washington's overall China strategy—and more broadly its Asia strategy—if it is to be successful. Some have advocated taking a page out of the Chinese playbook by threatening to scale back senior leader engagements if coercion continues. China often cuts back diplomatic ties with the United States and other regional players to demonstrate frustration with various policies. Washington could in turn reduce the number or seniority of bilateral engagements, or curtail the level of transparency shown to Beijing in exercises or the openness of technological engagements. Such actions could do serious damage to the bilateral relationship, but they would also demonstrate the seriousness of concern and the determination to oppose Chinese coercion.

A third capability for imposing costs on China is through the use or threat of use of economic leverage, including sanctions and embargoes. Many observers believe that Beijing has repeatedly used economic threats to change the behavior of regional states, including by limiting rare earth exports to Japan in 2010, tropical fruit imports from the Philippines in 2012, and tourism to Vietnam in 2014.⁹⁶ Economic development remains a key priority for China, particularly since the Communist Party has staked its domestic standing on economic growth. Thus, although small states may have limited leverage, the United States retains substantial economic influence. An economic component to a counter-coercion strategy could demonstrate U.S. commitment to oppose gray zone activities. The United States has frequently used targeted sanctions to force North Korea, Iran, Russia, and others to moderate their international behavior. Such efforts allow the United States to make use of its dominant position in worldwide financial markets and the dollar's status as a global reserve currency. Economic tools are therefore a natural extension of existing U.S. policy.⁹⁷ For example, the United States could consider whether to scale back or stop attempts to negotiate a Bilateral Investment Treaty with China, unless Beijing stops some coercive activities. Alternatively, a future president could adopt an executive order threatening to sanction companies involved in island building in disputed waters of the South China Sea.⁹⁸ This might deter some companies from conducting dredging or construction at disputed features. Additionally, the United States or other countries could establish a coercion-relief fund, enabling the emergency purchase of goods curtailed by Chinese sanctions, or even offering economic incentives to firms that invest in countries that are the targets of coercion.

Another set of policy tools would rely on legal options to impose costs on destabilizing behavior. Although U.S. legal efforts are limited by not having ratified the United Nations Convention on the Law of the Sea, the United States has actively supported countries using legal mechanisms to

96. See Reilly, "China's Unilateral Sanctions."

97. David Allen Baldwin, *Economic Statecraft* (Princeton, NJ: Princeton University Press, 1985); Stefanie Ann Lenway, "Between War and Commerce: Economic Sanctions as a Tool of Statecraft," *International Organization* 42, no. 2 (Spring 1988): 397–426.

98. See Zack Cooper and Eric B. Lorber, "The Right Way to Sanction China," *National Interest*, February 23, 2016.

pursue resolution of maritime disputes.⁹⁹ Most notable is U.S. support for the Philippines' use of arbitration to resolve its maritime disputes with China. The United States can strengthen these efforts by encouraging other countries to support arbitration and reinforcing the validity and binding nature of the arbitral tribunal's decision. If Chinese coercion continues, the United States could go further by detailing a legal position on various claims in maritime Asia. Moreover, in some cases, the United States could consider actions within the World Trade Organization, where the Barack Obama administration brought a total of 16 complaints against Beijing.¹⁰⁰ This strategy was used in response to the curtailing of rare earth exports. Although these formal dispute-resolution processes take time, international economic action often has real teeth. Finally, if coercion continues, the United States might adopt actions similar to Executive Order 13694, which introduced new mechanisms for responding to malicious activities in cyberspace and appears to have altered Chinese behavior.¹⁰¹ Thus, by placing at risk individuals and entities in violation of U.S. and international law, the United States could attempt what one might call "lawfare with American characteristics."

A final policy option for U.S. officials is strategic communications, i.e., using information to shape Chinese actions. Given the Chinese Communist Party's focus on ensuring its continued political primacy, some of the most impactful options—though also the most escalatory—fall into the area of strategic communications. These could include a range of options, from publicly detailing the global operations of the Chinese far-seas fishing fleet to opening parts of China's "great firewall." China's far-seas fishing fleet is among the largest in the world, so scrutinizing illegal Chinese fishing could increase the costs of these activities, leading to pressure to put Beijing's maritime actions in line with prevailing rules and norms. Alternatively, as China increases efforts to control the information available to its citizens, the United States could work to undermine China's information controls, providing a clear indication of U.S. dissatisfaction with China's behavior and a willingness to impose costs on Beijing for destabilizing behavior. If regional dynamics worsen and U.S. leaders desire a more drastic set of options, they could consider releasing select information about corruption among senior Chinese Communist Party figures. Details about personal or family wealth could have a direct effect on Chinese leaders, but would also come at great risk. Information about senior party officials would be damaging to their careers and might hurt the party's standing more generally, triggering a forceful response from Beijing. Thus, the more coercive the instrument, the greater the risks to the United States.

The downsides to cost imposition and escalation, even if horizontal, are substantial. Scholars have found that deterrence by punishment is less credible than deterrence by denial, so these measures may not prevent coercion in the first place.¹⁰² Moreover, cost-imposing strategies typically damage

99. Andrew Guzman, among others, has explored how international law can induce states to comply with customary practices. Andrew Guzman, "A Compliance-Based Theory of International Law," *California Law Review* 90, no. 6 (2002): 1826–1886.

100. Shawn Donnan and Lucy Hornby, "Obama Steps Up Trade Battle with China," *Financial Times*, July 13, 2016.

101. FireEye, "Red Line Drawn: China Recalculates Its Use of Cyber Espionage," FireEye iSight Intelligence report, June 2016.

102. See Robert Anthony Pape, *Bombing to Win: Air Power and Coercion in War* (Ithaca, NY: Cornell University Press, 1996).

both sides, so these types of measures can not only worsen the security dilemma but also hurt groups beyond the target country. Interest groups targeted by retaliatory measures may also be significantly less committed to national security objectives, which is an important consideration in any open and pluralistic political system. However, by accepting an increased level of risk, leaders in the United States as well as ally and partner capitals would be in a position to leverage their asymmetric strengths in ways that symmetric responses cannot. Speaking out on democracy and human rights, Taiwan, cyber issues, and activities in outer space may also demonstrate that the United States is not prepared to modify its interests in response to Chinese power. Accepting calculated risk across different policy lanes and domains may be necessary to bolster deterrence against gray zone coercion.

MEETING THE COUNTER-COERCION CHALLENGE

Despite the clear U.S. interest in preventing coercion in maritime Asia, U.S. policymakers have struggled to do so. In recent years, Chinese vessels and aircraft have gained greater physical control over disputed waters and territory while also challenging international rules and norms. Leaders in Washington have engaged their counterparts in Beijing about this behavior, but have acknowledged that they have not devised a satisfactory approach for deterring China's under-the-radar challenges in Asia.¹⁰³ In private conversations, U.S. government officials frequently express the view that current policies are insufficient. The inability of U.S. policymakers to deter coercive actions or to articulate a coherent gray zone strategy has raised questions about Washington's ability to protect U.S. interests, to integrate China into the international order, and to maintain existing alliance commitments. As a result, experts in both the United States and in East Asia are searching for new approaches to counter gray zone coercion and underwrite security in the region.¹⁰⁴

A theoretically rigorous and empirically informed approach to countering coercion therefore represents an important contribution to Asian security and prosperity. Several earlier efforts have made important progress toward this end. For example, Admiral Michael McDevitt's South China Sea occasional papers have provided an important resource for understanding recent activities in

103. U.S. Department of Defense, "Deputy Secretary of Defense [Bob] Work Delivers Remarks at the Council on Foreign Relations," press release, September 30, 2014. On the prospects for improving strategic trust, Kenneth Lieberthal and Wang Jisi argue that

there are three fundamental sources of growing strategic distrust between the United States and China: different political traditions, value systems, and cultures; insufficient comprehension and appreciation of each other's policymaking processes and relations between the government and other entities; and a perception of a narrowing gap in power between the United States and China.

Kenneth Lieberthal and Wang Jisi, *Addressing U.S.-China Strategic Distrust* (Washington, DC: Brookings Institution, 2012), x-xi.

104. Advocates for a more visible U.S. approach include Rory Medcalf, "China's Premature Power Play Goes Very Wrong," *National Interest*, June 3, 2014.

the South China Sea and potential policy options.¹⁰⁵ Christopher Yung and his colleagues have cataloged many events in the South China Sea over the past 15 years, providing a quantitative assessment of the types of activities undertaken by claimant states.¹⁰⁶ The Center for a New American Security has also commissioned a series of important papers that have explored coercion in the East Asian littoral and offered a number of policy recommendations.¹⁰⁷ Accompanying this research on maritime Asia is a growing body of scholarship on the theory and practice of gray zone coercion. Michael Mazarr, Nadia Schadlow, Frank Hoffman, Hal Brands, and others have taken important first steps in acknowledging the long-term threat posed by systematic gray zone coercion and suggesting potential U.S. policy options.

The following chapters delve into these theoretical arguments and case studies in more detail, after which we propose a number of policy recommendations for decisionmakers.

105. McDevitt, *South China Sea*.

106. Yung and McNulty, "An Empirical Analysis of Claimant Tactics in the South China Sea."

107. Patrick M. Cronin, *The Challenge of Responding to Maritime Coercion* (Washington, DC: Center for a New American Security, 2014); Toshi Yoshihara, *Going Anti-Access at Sea: How Japan Can Turn the Tables on China* (Washington, DC: Center for a New American Security, 2014); John Lee, *Nonmilitary Approaches to Countering Chinese Coercion: A Code of Practice for the Asia Pacific* (Washington, DC: Center for a New American Security, 2014); Mahnken, *Cost-Imposing Strategies*.

Deterrence Theory and Gray Zone Strategies

So-called gray zone strategies have attracted substantial attention in recent years. Although China, Russia, and others appear to rely on these strategies to challenge the United States and its allies and partners, the academic and policy communities have struggled to develop effective concepts and counters. Four questions must be answered to construct a theory of gray zone strategies and deterrence. First, how should gray zone strategies be defined? Second, why are China, Russia, and others using gray zone strategies? Third, what are the common characteristics of gray zone strategies? Fourth, which elements of deterrence theory are most applicable to gray zone strategies and what lessons do they hold for deterrence? Building on these questions, this chapter puts forward a theory of how China is employing gray zone strategies and highlights associated deterrence options.

DEFINITION OF GRAY ZONE STRATEGY

This study defines a gray zone strategy as an effort or series of efforts beyond steady-state deterrence and assurance that attempts to achieve one's security objectives without resort to direct and sizable use of force. In engaging in a gray zone strategy, an actor seeks to avoid crossing a threshold that results in war.

Inherent in any such definition is the need to apply judgment both with regard to intention and tools. Of note, a gray zone strategy can employ a variety of means that could approach the threshold for what constitutes "direct and sizable" military action, including use of proxies, covert military operations, and paramilitary activity. Such activities can occur in any domain of conflict—from land, air, sea, cyber, and space to economics, legal maneuvers, and influence activities. Some analysts have also referred to gray zone strategies as hybrid strategies. The study team differentiates the two as related but not synonymous. Hybrid strategies combine military tactics across traditional nuclear, conventional, and/or unconventional divisions. Because gray zone approaches

do not resort to direct and sizable use of force, only a select subset of hybrid tactics would typically be employed in such a strategy, almost certainly never including nuclear use or significant direct conventional means.¹

Readers should note that gray zone strategy, as defined here, has existed for millennia and was particularly prominent during the Cold War.² In 1955, Henry Kissinger wrote that Soviet gray zone tactics were neutralizing the United States “at much less risk by gradually eroding the peripheral area, which will imperceptibly shift the balance of power . . . without ever presenting us with a clear-cut challenge.”³ As President Kennedy warned in 1962, “This is another type of war, new in its intensity, ancient in its origin.”⁴ For this reason, General Joseph Votel argues that “the Cold War was a 45-year-long gray zone struggle.”⁵ Not only did the Soviets adopt gray zone strategies, but the United States used its own gray zone strategies in Afghanistan and elsewhere to erode Soviet power. For this reason, Phil Kapusta notes, “Gray zone challenges are not new. Monikers such as irregular warfare, low-intensity conflict, asymmetric warfare, military operations other than war and small wars were employed to describe this phenomenon in the past.”⁶ Indeed, Adam Elkus has argued that the term “gray zone” is simply a reconceptualization of ideas that have existed in international relations for decades.⁷

In recent years, Chinese and Russian activities have renewed U.S. analysts’ interest in the concept. For example, the 2010 Quadrennial Defense Review called attention to conflicts above peace and below war in noting the existence of an “ambiguous gray area,” which is “neither fully war nor fully peace.”⁸ Japanese leaders have stated that the gray zone “represents the state between peacetime and an emergency situation.”⁹ Amy Chang, Ben FitzGerald, and Van Jackson suggest that the gray zone should be defined “as a state of security competition between peace and war.”¹⁰ Antulio Echevarria asserts that gray zones include “uses of military force that fall short of actual war but

1. Note that this definition differs from Frank Hoffman’s spectrum: gray zone/ambiguous → irregular/terrorism → hybrid → limited conventional → theater conventional. Frank Hoffman, “The Contemporary Spectrum of Conflict,” in *2016 Index of U.S. Military Strength*, ed. Dakota L. Wood (Washington, DC: Heritage Foundation, 2015).

2. For example, Sun Tzu wrote: “To subdue the enemy without fighting is the acme of skill.” Sun Tzu, *The Art of War*, trans. Samuel B. Griffith (London: Oxford University Press, 1963), 77.

3. Henry A. Kissinger, “Military Policy and Defense of the ‘Gray Areas,’” *Foreign Affairs* 33, no. 3 (1955): 416–428.

4. John F. Kennedy, “Remarks at West Point to the Graduating Class of the U.S. Military Academy” (speech, West Point, NY, June 6, 1962).

5. Joseph L. Votel et al., “Unconventional Warfare in the Gray Zone,” *Joint Force Quarterly* 80 (First Quarter 2016): 101–109.

6. Philip Kapusta, “The Gray Zone,” *Special Warfare* 28, no. 4 (October–December 2015), 19–25.

7. Adam Elkus, “50 Shades of Gray: Why the Gray Wars Concept Lacks Strategic Sense,” *War on the Rocks*, December 15, 2015.

8. U.S. Department of Defense, *Quadrennial Defense Review Report* (Arlington, VA: DOD, 2010), 73.

9. Government of Japan, Ministry of Defense, “Press Conference by the Defense Minister” (press conference, Prime Minister’s Office, Tokyo, October 29, 2013).

10. Amy Chang, Ben FitzGerald, and Van Jackson, *Shades of Gray: Technology, Strategic Competition, and Stability in Maritime Asia* (Washington, DC: Center for a New American Security, 2015), 3.

which definitely do not qualify as peace.”¹¹ Nathan Freier also insists, “Gray zone challenges lie between ‘classic’ war and peace.”¹² Adopting a slightly different formulation, Charles Cleveland, Shaw Pick, and Stuart Farris write that gray zones exist between “peaceful interstate political competition and open war.”¹³ Finally, the U.S. Special Operations Command notes that gray zone challenges “fall between the traditional war and peace duality.”¹⁴

These definitions all suggest that an identifiable threshold separates war and peace. Yet, Carl von Clausewitz reminds scholars that “war is merely the continuation of policy by other means.”¹⁵ Clausewitz therefore argues that “absolute war” is only an ideal type because war “eludes the strict theoretical requirement that extremes of force be applied . . . wars can have all degrees of importance and intensity, ranging from a war of extermination down to simple armed observation.”¹⁶ Accordingly, Nadia Schadlow notes that “the space between war and peace is not an empty one—but a landscape churning with political, economic, and security competitions that require constant attention.”¹⁷ One implication of the blurring of peace and war, as General Eric Olson argues, is that “it is hard to find a conflict that is not in the gray zone.”¹⁸ Frank Hoffman agrees and asserts that adversaries often use “a tailored mix of conventional weapons, irregular tactics, terrorism, and criminal behavior in the same time and battlespace to obtain their political objectives.”¹⁹ If war exists on a continuum, what threshold separates it from gray zone conflict?

Despite the difficulty of distinguishing gray zone coercion from war, many experts argue that it is possible to identify activities that transpire “below the threshold of war.”²⁰ Frank Hoffman argues that gray zone activity is “just below the threshold of aggressive use of military force.”²¹ Hal Brands suggests that gray zone coercion is “deliberately designed to remain below the threshold of conventional military conflict and open interstate war.”²² General Votel contends that gray zones include “competition more fervent in nature than normal steady-state diplomacy, yet short of conventional war.”²³ Denny Roy proposes that gray zone conflict must “remain below the level that

11. Antulio J. Echevarria, “How Should We Think about ‘Gray-Zone’ Wars?,” *Infinity Journal* 5, no. 1 (Fall 2015): 16–20.

12. Nathan P. Freier et al., *Outplayed: Regaining Strategic Initiative in the Gray Zone* (Carlisle, PA: U.S. Army War College Press, 2016), xiii. Also see Joanne Fish, Samuel McCraw, and Christopher Reddish, *Fighting in the Gray Zone: A Strategy to Close the Preemption Gap* (Carlisle, PA: Strategic Studies Institute, 2004).

13. Charles T. Cleveland, Shaw S. Pick, and Stuart L. Farris, “Shedding Light on the Gray Zone: A New Approach to Human-Centric Warfare,” *Army Magazine*, August 17, 2015.

14. U.S. Special Operations Command (U.S. SOCOM), “The Gray Zone,” white paper, September 9, 2015.

15. Carl von Clausewitz, *On War*, trans. Michael Eliot Howard and Peter Paret (Princeton, N.J.: Princeton University Press, 1989), 87.

16. *Ibid.*, 80–81.

17. Nadia Schadlow, “Peace and War: The Space Between,” *War on the Rocks*, August 18, 2014.

18. Eric Olson, “America’s Not Ready for Today’s Gray Wars,” *Defense One*, December 10, 2015.

19. Frank Hoffman, “On Not-so-new Warfare: Political Warfare vs. Hybrid Threats,” *War on the Rocks*, July 28, 2014.

20. Michael J. Mazarr, *Mastering the Gray Zone: Understanding a Changing Era of Conflict* (Carlisle, PA: Strategic Studies Institute, 2015), 10.

21. Hoffman, “The Contemporary Spectrum of Conflict.”

22. Hal Brands, “Paradoxes of the Gray Zone,” Foreign Policy Research Institute, February 5, 2016.

23. Votel et al., “Unconventional Warfare in the Gray Zone.”

usually triggers conventional military retaliation.²⁴ In summary, these definitions tend to use “conventional war” as the ceiling for gray zone activity.

Conventional war is itself, however, difficult to define. During the Cold War, conventional war was often set in opposition to nuclear war.²⁵ John Mearsheimer suggests a more concrete definition of the conventional battlefield, as “one on which two large armies directly face each other and, if war breaks out, directly engage each other in a relatively large amount of space.”²⁶ Martin van Creveld proposes a similar definition consisting of “armed conflicts openly waged by one state against another by means of their regular armies.”²⁷ Likewise, U.S. military doctrine defines traditional war (the doctrinal successor to conventional war) as “a violent struggle for domination between nation-states or coalitions and alliances of nation-states . . . in which adversaries employ a variety of conventional forces and special operations forces against each other.”²⁸ These definitions of conventional war have three commonalities: regularly equipped militaries, large-scale conflict, and a focus on states as the primary actors.²⁹ As a result, most experts view large-scale conflict between states with regularly equipped militaries as outside gray zone conflict.

In summary, most scholars agree that gray zone conflicts occur below the threshold for war.³⁰ The fact that gray zone conflict does not cross this threshold implies that it is somehow constrained. As Brands suggests, gray zone strategies seek to attain aims “*without* escalating to overt warfare, *without* crossing established red lines, and thus *without* exposing the practitioner to the penalties and risks that such escalation might bring.”³¹ To restrict a conflict, at least one actor must choose not to escalate, which therefore typically includes efforts to avoid crossing escalation thresholds. This type of threshold avoidance utilizes “Schelling points,” which are “finite steps in the enlargement of a war or a change in participation. They are conventional stopping places or

24. Denny Roy, “China Wins the Gray Zone by Default,” PacNet #60, Center for Strategic and International Studies, September 17, 2015.

25. See, for example, Barry R. Posen, *Inadvertent Escalation: Conventional War and Nuclear Risks* (Ithaca, NY: Cornell University Press, 2013).

26. John J. Mearsheimer, *Conventional Deterrence* (Ithaca, NY: Cornell University Press, 1985), 15.

27. Martin van Creveld, “Modern Conventional Warfare: An Overview” (discussion paper, Hebrew University, Jerusalem, undated), 1.

28. U.S. Armed Forces, “Joint Publication 1: Doctrine for the Armed Forces of the United States,” March 25, 2013, x.

29. All three of these factors vary on a spectrum, so conventional war is not an entirely dichotomous variable. Moreover, defining conventional war as including only states may be overly limiting. Even U.S. doctrine admits that traditional warfare “also encompasses nonstate actors who adopt conventional military capabilities and methods in service of traditional warfare victory mechanisms.” Nonstate actors may in some cases use tactics and capabilities that resemble those of state actors, and vice versa. Thus, in identifying conventional war, the focus should be on the scale of the fighting and the type of capabilities engaged, rather than the type of actors. See U.S. Armed Forces, “Joint Publication 1: Doctrine for the Armed Forces of the United States,” 1-5/6; and Stephen D. Biddle, *Military Power: Explaining Victory and Defeat in Modern Battle* (Princeton, NJ: Princeton University Press, 2004), 7.

30. An alternative definition for gray zone activities might focus on actions below the threshold of armed conflict, rather than conventional war. The choice to use conventional war as the ceiling for gray zone conflict is intended to create three levels of conflict—nuclear, conventional, and gray zone—rather than adding a separate level between conventional war and gray zone conflict.

31. Brands, “Paradoxes of the Gray Zone” (emphasis in original).

dividing lines. . . . They have some quality that makes them recognizable, and they are somewhat arbitrary.”³² Escalation to a Schelling point is intended to force the other side to stop escalating at a certain point that is advantageous to the conflict initiator. In this sense, Schelling writes, “Skillful diplomacy, in the absence of uncertainty, consists in arranging things so that it is one’s opponent who is embarrassed by having the ‘last clear chance’ to avert disaster.”³³ Gray zone coercion therefore involves intense competition and often a long-term campaign plan, but need not involve outright military conflict.

CAUSES OF GRAY ZONE CONFLICT

If gray zone conflict is not a new phenomenon, why has it attracted so much attention in recent years? In particular, why has China used gray zone coercion to challenge the status quo in Asia? This study argues that states are most likely to use gray zone strategies when two conditions are met. First, a challenger typically seeks to alter some element of the status quo. Second, this dissatisfied challenger usually perceives its opponent as having an advantage at higher levels of escalation. The first condition establishes conflicting interests and the challenger’s desire to alter some element of the status quo. The second condition establishes the challenger’s desire to avoid escalation thresholds. The result is that stability at a higher level of conflict incentivizes challenges at a lower level of conflict—a phenomenon known as the stability-instability paradox.

A Dissatisfied Challenger

In order for a state to accept risk to revise the status quo, it must be dissatisfied with some element of the existing system.³⁴ Robert Gilpin writes that “the fundamental cause of wars among states and changes in international systems is the uneven growth of power among states.”³⁵ Power transition scholars argue that “revisionist states are often those states that have increased their power. . . . Thus, they often share a common desire to overturn the status quo order—the prestige, resources, and principles of the system.”³⁶ Power transition theory suggests that the international system is most stable when a system’s distribution of power and distribution of benefits are well aligned. In such a system, all states view the expected costs of changing the status quo as higher than the expected rewards. These types of systems are stable because the dominant power or

32. Thomas C. Schelling, *Arms and Influence* (New Haven, CT: Yale University Press, 1976), 135.

33. *Ibid.*, 101.

34. For this reason, Hal Brands writes, “Gray zone approaches are mostly the province of revisionist powers.” Brands, “Paradoxes of the Gray Zone.” On regional orders and the ambitions of regional powers, see Thomas Wright, *All Measures Short of War: The Contest for the Twenty-First Century and the Future of American Power* (New Haven, CT: Yale University Press, 2017); Kristen Williams, Steven Lobell, and Neal Jesse, eds., *Beyond Great Powers and Hegemons: Why Secondary States Support, Follow, or Challenge* (Stanford, CA: Stanford University Press, 2012); Evan B. Montgomery, *In the Hegemon’s Shadow: Leading States and the Rise of Regional Powers* (Ithaca, NY: Cornell University Press, 2016).

35. Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981), 84.

36. Randall L. Schweller, “Tripolarity and the Second World War,” *International Studies Quarterly* 37, no. 1 (1993): 73–103.

powers do not have an incentive to alter the status quo (i.e., the distribution of benefits) and weaker powers do not have the capability to alter the status quo.³⁷ Yet, differential growth rates often detach the distribution of benefits from the distribution of power. When one state grows faster than others, the old distribution of benefits no longer reflects the new distribution of power, giving the rising state an incentive to challenge the status quo.³⁸ As a result, Randall Schweller comments, such revisionists often rise “after the existing international order was fully established and the benefits were already allocated.”³⁹

Rising relative power is not necessary for a state to challenge the status quo—misperception can also cause dissatisfaction among national leaders. Even if the distribution of power and benefits is balanced, some leaders may perceive their power to be greater than it is. By creating the perception of a disconnect between the distribution of power and benefits, this misperception may convince leaders that they have an incentive to alter the status quo. This is most likely to occur if leaders perceive their state as more powerful than it is in reality, or if they believe that the status quo has recently shifted against them. For example, John Mearsheimer argues that from Moscow’s perspective, “the West had been moving into Russia’s backyard and threatening its core strategic interests, a point Putin made emphatically and repeatedly.”⁴⁰

Rising powers and aggrieved powers are both more likely to be dissatisfied than other states and to view the existing order as inherently unfair. For example, China and Russia often characterize the status quo as fundamentally disadvantageous to them. As a rising challenger, China has both the incentive and the capability to alter the status quo. Russia, an aggrieved power, has more limited capabilities, but is still committed to adjusting the existing order. The perception of a gap in the distribution of power and benefits has encouraged leaders in Beijing and Moscow to actively seek changes to the distribution of territory and the norms of behavior. Regarding territory, China has constructed new land in the South China Sea while Russia has invaded Ukraine. Meanwhile, Chinese and Russian leaders have complained about what they view as an unfair set of norms that advantage the United States and its allies and partners, such as the legality of “close-in” reconnaissance flights along foreign coasts.

37. Note that use of the term “revisionist” here is not intended as a subjective judgment but rather an objective statement about whether a state is satisfied with the status quo or intends to alter the existing system. A state may simply believe that the existing status quo is unfair, unstable, or unsustainable. Even if a state describes itself as having benign intentions, it may still be categorized as revisionist. Indeed, many revisionist states hold different views of the status quo and may believe that they are upholding the existing system rather than undermining it. Similarly, Paul Huth and Bruce Russett note that “the labels of attacker and defender are not meant to imply any normative judgments.” Paul Huth and Bruce Russett, “Deterrence Failure and Crisis Escalation,” *International Studies Quarterly* 32, no. 1 (1988): 31. See also, Thomas Wright, “China and Russia vs. America: Great-Power Revisionism Is Back,” *National Interest*, April 27, 2015; and Richard Fontaine and Mira Rapp-Hooper, “How China Sees World Order,” *National Interest*, April 20, 2016.

38. Woosang Kim and James D. Morrow, “When Do Power Shifts Lead to War?,” *American Journal of Political Science* 36, no. 4 (1992): 896–922.

39. Schweller, “Tripolarity and the Second World War.” See also A. F. K. Organski and Jacek Kugler, *The War Ledger* (Chicago: University of Chicago Press, 1981), 19.

40. John J. Mearsheimer, “Why the Ukraine Crisis Is the West’s Fault: The Liberal Delusions That Provoked Putin,” *Foreign Affairs* 93, no. 5 (September–October 2014): 1–12.

In addition, Chinese and Russian leaders often complain about the unnatural imbalances created by the dominant role of the United States in international institutions, the perseverance of the United States' Cold War–era alliance relationships, and purported U.S. efforts to maintain military primacy. Chinese and Russian leaders do not see themselves as revisionist, but rather as simply seeking to recover the level of power and influence their nations held during previous periods of history. This may make Chinese and Russian leaders more rigid, particularly when domestic factors such as nationalism and internal political dynamics shape external policies. These forces can limit the flexibility of Beijing and Moscow by eliminating incentives to bargain and instead adding to the pressure to reassert traditional spheres of influence.

A Capable Dominant Power

Dissatisfied challengers may desire changes to the status quo, but this is insufficient to trigger gray zone coercion. If the challenger is strong enough to prevail in a symmetric conflict with the dominant power, then the challenger may simply seek to overturn the status quo through war rather than make minor revisions through gray zone coercion. If, however, as is more often the case, the challenger perceives its opponent as having an asymmetric capability advantage at higher levels of escalation, then the challenger has an incentive to seek more limited changes to the status quo. From this perspective, U.S. military strength has channeled dissatisfied states into the gray zone.

Although some argue that the United States may be declining relative to some rising powers, including China, there is no denying that Washington maintains a number of vital advantages.⁴¹ The dynamism of the United States' economy, the strength of its democratic system, and the attractiveness of its culture have provided the United States with an atypical level of global influence, even for a leading power. The United States has been able to use its geopolitical influence to reshape the international system in ways that prolong and enhance Washington's favorable position. The United States has played a leading role in forming most major international institutions—such as the United Nations, World Bank, and International Monetary Fund—that effectively “lock in” existing power structures that tend to favor the United States and its allies and partners. In addition, the United States retains a strong network of allies and partners around the globe, many of which are adapting to meet challenges from rising powers. Moreover, the United States retains a large, well-equipped, technologically advanced, and highly proficient military that remains the most capable in the world today. The combination of decades of investment in military systems, U.S. forward-basing agreements, and unparalleled power projection experience provide the United States with unmatched conventional capabilities. A strong and reliable nuclear force also makes the United States a leading nuclear power, whose past investments provide a set of nuclear capabilities that few states can hope to match.

Thus, Washington has been able to protect U.S. interests by extending its institutional, relational, and military advantages, even as other powers rise. To the consternation of a number of potential competitors, the resulting international order therefore appears resistant to change. As Frank Hoffman warns, “States that lack the capability to gain their strategic objectives with conventional means can find ways to erode the international order or to paralyze responses by other states

41. On these points, see also Joseph S. Nye, *Is the American Century Over?* (Cambridge, MA: Polity Press, 2015).

through ambiguously aggressive actions.”⁴² Because conventional military challenges to the existing order appear imprudent (particularly in the period following the Persian Gulf War), dissatisfied states have challenged the existing order through gray zone coercion rather than outright conventional warfare. Moreover, the United States has appeared less effective in low-level conflicts, limiting the U.S. public’s willingness to engage in such campaigns and increasing the attractiveness of such conflicts to U.S. adversaries.

The Stability-Instability Paradox

The preceding discussion describes how U.S. strength incentivizes dissatisfied challengers to avoid direct military challenges to the international order. The fact that the United States retains an asymmetric capability to escalate to conventional war (at least for the moment) provides Washington a form of escalation dominance. Herman Kahn described escalation dominance as

a capacity, other things being equal, to enable the side possessing it to enjoy marked advantages in a given region of the escalation ladder. . . . It depends on the net effect of the competing capabilities on the rung being occupied, the estimate by each side of what would happen if the confrontation moved to these other rungs, and the means each side has to shift the confrontation to these other rungs.⁴³

Thus, if a state judges that its adversary has escalation dominance in a certain level or domain, it will naturally attempt to avoid escalation to that level or domain.

As a result, U.S. conventional military dominance (and often nuclear dominance) encourages competitors to seek more limited changes to the status quo. Early Cold War scholars described this phenomenon as the stability-instability paradox, in which stability at higher levels of conflict incentivizes opportunism at lower levels. For example, B. H. Liddell Hart observed in 1954 that “to the extent that the [hydrogen] bomb reduces the likelihood of full-scale war, it increases the possibility of a limited war pursued by widespread local aggression.”⁴⁴ Along these lines, Robert Jervis suggests, “To the extent that the military balance is stable at the level of all-out nuclear war, it will become less stable at lower levels of violence.”⁴⁵ Thus, despite the United States’ vast nuclear arsenal, Glenn Snyder notes that the Soviets could still engage in “a range of minor ventures which they can undertake with impunity, despite the objective existence of some probability of retaliation.”⁴⁶ The result of the stability-instability paradox is that dissatisfied states are likely to contest limited elements of regional orders by adopting gray zone strategies.

Applied to Russia and China, the stability-instability paradox suggests that continued challenges to the status quo are likely. Even when Moscow and Beijing believe that Washington has a superior

42. Hoffman, “The Contemporary Spectrum of Conflict.”

43. Herman Kahn, *On Escalation: Metaphors and Scenarios* (New Brunswick, NJ: Transaction Publishers, 2010), 290.

44. B. H. Liddell Hart, *Deterrent or Defense* (New York: Praeger Publishers, 1960), 23.

45. Robert Jervis, *The Illlogic of American Nuclear Strategy* (Ithaca, NY: Cornell University Press, 1981), 31.

46. Glenn H. Snyder, *Deterrence and Defense: Toward a Theory of National Security* (Princeton, NJ: Princeton University Press, 1961), 226.

capability to escalate, they may still pursue gray zone coercion if they judge U.S. interests as insufficient to trigger U.S. leaders to launch a major escalation. This creates stability at the conventional and nuclear levels of warfare, but incentivizes Moscow and Beijing to advance their aims below that threshold. As Alex Lanoszka argues, “Not having global escalation dominance means that the belligerent wishes to contain the conflict locally and deter external intervention.”⁴⁷ Therefore, gray zone coercion is most likely when a potential challenger is dissatisfied but the dominant power retains escalation dominance. If either of these conditions is not met, then the potential challenger should be unlikely to engage in gray zone provocation.⁴⁸ Moreover, there will be differences depending on which elements of the status quo a challenger hopes to revise. Russia seeks to challenge the U.S.-led system both regionally and globally, while China primarily aims to reassert its regional status yet has strong interests in maintaining much of the existing international system.

CHARACTERISTICS OF GRAY ZONE STRATEGIES

Having defined gray zone strategy and identified its root causes, it is now possible to explain the typical characteristics of modern gray zone strategies. Although each actor approaches gray zone activities differently, Michael Mazarr argues that gray zone challengers’ “dependence on global trade and markets, along with fear of escalation and other constraints, make them anxious to achieve their goals with techniques short of major conflict—more gradual, less violent, and less obvious.”⁴⁹ Therefore, most actors use a combination of asymmetry, ambiguity, and incrementalism to keep gray zone conflicts below the threshold of conventional war.

Asymmetry

Escalation avoidance typically occurs because all sides in a crisis or conflict believe that the expected costs of escalating are greater than the expected benefits. Calculations of costs and benefits derive largely from a state’s assessment of its interests and capabilities and those of its adversary and any third parties. Marc Trachtenberg notes that relative interests and relative power

47. Alexander Lanoszka, “Russian Hybrid Warfare and Extended Deterrence in Eastern Europe,” *International Affairs* 92, no. 1 (January 2016): 189.

48. A classic example of this behavior is German strategy during the interwar period. Immediately after World War I, Germany was essentially a status quo state with limited capabilities. It accepted the drastic limitations placed on it by the allied powers at Versailles. In 1923, Germany responded to the occupation of the Ruhr with only “passive resistance.” Yet as Germany became more dissatisfied, it sought to alter the terms agreed to in the postwar settlement. In 1936, Germany reoccupied the Rhineland, narrowly avoiding a conflict with France that it would likely have lost. By 1938, however, Germany no longer viewed the allies as having escalation dominance. Hitler was willing to risk a large conflict and no longer required the type of gray zone coercion that the Reich had used in the prior 15 years. See Richard Bessel, *Germany after the First World War* (Oxford: Clarendon Press, 1993); Wilhelm Deist et al., eds., *Germany and the Second World War: Volume I; The Build-up of German Aggression*, trans. P. S. Falla, Dean S. McMurry, and Ewald Osers (New York: Clarendon Press, 1991).

49. Mazarr defines revisionist states as those that seek “to shift international rules, norms, distribution of goods, and patterns of authority to their benefit.” Mazarr, *Mastering the Gray Zone*, 10; see also Michael J. Mazarr, “Struggle in the Gray Zone and World Order,” *War on the Rocks*, December 22, 2015.

are “of fundamental importance in determining how international crises run their course,” and that conventional wisdom holds “that the weak would defer to the strong and the side that cared less about the issues at stake would tend to give way in the dispute.”⁵⁰ The expected costs of escalating are likely to be higher than the expected benefits if a state believes that an asymmetry exists in either relative interests or capabilities. Therefore, asymmetries in interests and capabilities alter both the probability and course of conflict.⁵¹

Interest asymmetry occurs when a state cares more about an objective than does its adversary. Although two states may desire the same object, they may value that object differently depending on their unique geographic positions, strategic circumstances, alliance relationships, domestic politics, historical perspectives, ethnic characteristics, religious identities, bureaucratic dynamics, or individual biases. All else being equal, one might expect the side that values a disputed item more to accept more risk to obtain that object. Although powerful actors may be more capable of prevailing in wars, weaker parties may prevail if they are willing to accept greater risk than the stronger side. Therefore, Andrew Mack argues that interest asymmetries explain why powerful states lose conflicts against weaker actors.⁵² Similarly, Vesna Danilovic describes why states with “strong interests in the region of conflict” are more likely to accept risk in those areas, leading to the “precarious role of ‘gray areas’ in major power relations.”⁵³

Capability asymmetry, on the other hand, occurs when a state has greater military capabilities than its adversary. Capability asymmetries may differ across multiple domains for the same actors. Therefore, a state could have an asymmetric advantage in coast guard capabilities but an asymmetric disadvantage in naval power projection. All else equal, a more capable state should obtain more of its objectives than a less capable state. Thus, Todd Sechser notes, “A long-standing principle of international relations theory is that coercive threats are more effective, on average, when they come from powerful states.”⁵⁴ Yet, assessing the balance of capabilities is notoriously difficult.⁵⁵ Some scholars simply measure gross domestic product.⁵⁶ Others favor incorporating population size, territory, resource endowment, economic capacity, military might, and organizational-

50. Marc Trachtenberg, “Audience Costs: An Historical Analysis,” *Security Studies* 21, no. 1 (January 2012): 3.

51. James Fearon argues for three causes of war between rational states: “private information about relative capabilities or resolve and incentives to misrepresent such information . . . commitment problems . . . [and] issue indivisibilities.” James D. Fearon, “Rationalist Explanations for War,” *International Organization* 49, no. 3 (June 1995): 381–382.

52. Andrew Mack, “Why Big Nations Lose Small Wars: The Politics of Asymmetric Conflict,” *World Politics* 27, no. 2 (January 1975): 175–200.

53. Vesna Danilovic, “The Sources of Threat Credibility in Extended Deterrence,” *Journal of Conflict Resolution* 45, no. 3 (June 2001): 365. See also Saul Bernard Cohen, *Geography and Politics in a World Divided* (New York: Oxford University Press, 1974).

54. Todd S. Sechser, “Goliath’s Curse: Coercive Threats and Asymmetric Power,” *International Organization* 64, no. 4 (October 2010): 627.

55. Indra de Soysa, John R. Oneal, and Yong-Hee Park, “Testing Power-Transition Theory Using Alternative Measures of National Capabilities,” *Journal of Conflict Resolution* 41, no. 4 (August 1997): 509–528.

56. Paul K. MacDonald and Joseph M. Parent, “Graceful Decline? The Surprising Success of Great Power Retrenchment,” *International Security* 35, no. 4 (April 2011): 22–24.

instructional competence.⁵⁷ Still others include nonstructural variables, such as perceptions of internal unity, memory of previous conflicts, perceptions of conflict sustainability, nationalism, ideology, and the qualities of individual leaders.⁵⁸ As this list shows, assessing capabilities is an art rather than a science, particularly given that strategic and tactical effectiveness matters greatly in determining a conflict's winner.⁵⁹ Therefore, exact calculation of capability asymmetries is less important than states' beliefs about which side is more likely to prevail if a conflict occurs.⁶⁰

How can gray zone coercers use asymmetric interests and capabilities to obtain their objectives? First, states can challenge those elements of the status quo that an adversary is least committed to upholding. Second, states can escalate to levels or within domains of conflict that benefit themselves and avoid those that benefit adversaries. Thus, a revisionist state may seek to control conflict by escalating to a Schelling point that provides an asymmetric advantage at a certain level or domain of conflict. For example, the United States maintains highly capable nuclear and conventional military forces throughout the world. However, U.S. Coast Guard responsibilities in the Western Hemisphere limit deployments to Asia. Thus, Andrew Erickson and Conor Kennedy explain how the Chinese Coast Guard and Chinese "fishing fleet's political and strategic role has been given special significance" in the East and South China Seas.⁶¹ James Kraska and Michael Monti note, "China's employment of a maritime militia complicates U.S. and allied naval operations during peacetime, in the 'gray zone' between peace and war."⁶² In short, a revisionist state can use asymmetries to manage conflict because "escalation dominance depend[s] on a favourable distribution of capabilities. At any given level, the onus is put on one side to escalate."⁶³ Indeed, the shadow of asymmetric capabilities in one domain may bleed into other domains, providing coercive leverage across domains, even when issues are not explicitly linked.

Ambiguity

Another common gray zone feature is ambiguity.⁶⁴ Dave Barno and Nora Bensahel go so far as to argue that in gray zones, the "defining characteristic is ambiguity—about the ultimate objective,

57. G. John Ikenberry, Michael Mastanduno, and William C. Wohlforth, "Unipolarity, State Behavior, and Systemic Consequences," *World Politics* 61, no. 1 (January 2009): 4.

58. Geoffrey Blainey, *The Causes of War* (New York: Free Press, 1988), 123.

59. On this point, Steve Biddle notes that force employment is critical to battlefield success and that standard capability measurements "are actually no better than coin flips at predicting real military outcomes." Ivan Arreguin-Toft also notes that "the best predictor of asymmetric conflict outcomes is strategic interaction." Biddle, *Military Power*, 2. Also see Ivan Arreguin-Toft, "How the Weak Win Wars: A Theory of Asymmetric Conflict," *International Security* 26, no. 1 (July 2001): 95.

60. For an alternative perspective, see Richard N. Rosecrance, *Strategic Deterrence Reconsidered* (London: International Institute for Strategic Studies, 1975).

61. Andrew S. Erickson and Conor M. Kennedy, "Tanmen Militia: China's 'Maritime Rights Protection' Vanguard," *National Interest*, May 6, 2015.

62. James Kraska and Michael Monti, "The Law of Naval Warfare and China's Maritime Militia," *International Law Studies* 91, no. 1 (2015): 466.

63. Lawrence Freedman, *The Evolution of Nuclear Strategy* (New York: St. Martin's Press, 1983), 219.

64. Indeed, some experts suggest that the gray zone is "ambiguous, so it is unlikely that there will be unanimous agreement about its definition." These scholars suggest that defining gray zone conflict is unwise. Yet, despite this

the participants, whether international treaties and norms have been violated, and the role that military forces should play in response.”⁶⁵ Brands agrees that “gray zone challenges are thus inherently ambiguous in nature . . . frequently shrouded in misinformation and deception, and are often conducted in ways that are meant to make proper attribution of the responsible party difficult to nail down.”⁶⁶ As General Votel notes, “In this ‘gray zone,’ we are confronted with ambiguity on the nature of the conflict, the parties involved, and the validity of the legal and political claims at stake.”⁶⁷ Martin Libicki has called this a form of “strategic ambiguity.”⁶⁸

As these statements suggest, ambiguity can take many forms. One form of ambiguity is information asymmetry, which creates uncertainty about facts. This type of descriptive ambiguity makes it difficult for other parties to determine what happened, where, when, by whom, and why. A second form of ambiguity is normative, relating to whether a certain action is acceptable. This type of ambiguity makes it difficult for other parties to determine whether a law was broken, a norm was violated, a treaty commitment should be invoked, or even whether the status quo was altered. Unlike the first type of ambiguity, this form focuses not on what has happened, but on whether it violates a set of subjective rules and norms. Both forms of ambiguity make it more difficult for an adversary to respond effectively to gray zone coercion.

Ambiguity of either form decreases the likelihood that an opponent will escalate to conventional warfare. Therefore, Mary Ellen Connell and Ryan Evans write that “ambiguous warfare” occurs when a “belligerent actor deploys troops and proxies in a deceptive and confusing manner—with the intent of achieving political and military effects while obscuring the belligerent’s direct participation.”⁶⁹ The U.S. Special Operations Command notes that gray zones “are characterized by ambiguity about the nature of the conflict, opacity of the parties involved, or uncertainty about the relevant policy and legal frameworks.”⁷⁰ Douglas Lovelace asserts that aggressors employ measures “that make attribution too uncertain to justify lethal responses.”⁷¹ A classic example is the so-called Gerasimov Doctrine described by Russian General Valery Gerasimov as “blurring the lines between the states of war and peace. . . . The role of nonmilitary means of achieving political and strategic goals has grown, and in many cases, they have exceeded the power of force of weapons in their effectiveness.”⁷²

insistence, the same scholars state, “All gray zone challenges are distinct or unique, yet nonetheless share three common characteristics: hybridity, menace to defense/military convention, and risk-confusion.” Freier et al., *Outplayed: Regaining Strategic Initiative in the Gray Zone*, ix.

65. David Barno and Nora Bensahel, “Fighting and Winning in the ‘Gray Zone,’” *War on the Rocks*, May 19, 2015.

66. Brands, “Paradoxes of the Gray Zone.”

67. General Joseph L. Votel, Commander of U.S. Special Operations Command (statement before House Armed Service Committee on March 18, 2015).

68. Martin C. Libicki, “The Strategic Uses of Ambiguity in Cyberspace,” *Military and Strategic Affairs* 3, no. 3 (December 2011): 450–465.

69. Mary Ellen Connell and Ryan Evans, *Russia’s “Ambiguous Warfare” and Implications for the U.S. Marine Corps* (Arlington, VA: CNA Corporation, 2015), 3.

70. U.S. SOCOM, “The Gray Zone.”

71. Douglas C. Lovelace, ed., *Hybrid Warfare and the Gray Zone Threat* (New York: Oxford University Press, 2016), ix.

72. Valery Gerasimov, “The Value of Science in Prediction,” *Military-Industrial Courier*, February 27, 2013, trans. Rob Coalson.

In summary, ambiguity can prevent escalation by obscuring activities, disguising the responsible party, or complicating assessments of whether rules or norms have been violated. As Schelling writes, “Most commitments are ultimately ambiguous in detail. . . . There is some threshold below which the commitment is just not operative, and even that threshold itself is usually unclear.”⁷³ Therefore, revisionist states can avoid red lines through efforts to “first, outflank these red lines by finding ways to make gains while bypassing adversary forces. Second, target gray areas where it is ambiguous whether or not an action is unmistakably an attack.”⁷⁴ Using ambiguity in this way can decrease the likelihood of an adversary escalating. As Frank Kendall, then U.S. undersecretary of defense, has admitted of gray zones, “It has been very difficult to assess the situation and to determine what U.S. interests are at stake.”⁷⁵ Thus, ambiguity makes it more difficult for a state to build political support for forceful policy responses to gray zone coercion.

Incrementalism

A final way that states avoid crossing the threshold to conventional war is by taking incremental actions. As Mazarr notes, gray zone strategies

reflect aspects of what can be called strategic gradualism. They will unfold over time, bit by bit, each step carefully remaining below clear thresholds of response. Over time, however, the architect of such a campaign intends for these incremental steps to sum up to a decisive change in the status quo.⁷⁶

Experts at the Center for a New American Security have called this “tailored coercion for incremental revisionism.”⁷⁷ Brands explains that these types of actions represent “coercion that is, to varying degrees, disguised; they eat away at the status quo one nibble at a time.”⁷⁸

Incrementalism is effective because, like ambiguity, it can make it more difficult for an opponent to recognize the importance of any individual action and slow efforts to build support for a countervailing response. Schelling writes,

If there is no sharp qualitative division between a minor transgression and a major affront, but a continuous graduation of activity, one can begin his intrusion on a scale too small to provoke a reaction and increase it by imperceptible degrees, never quite presenting a sudden dramatic challenge that would invoke the committed response.⁷⁹

73. Schelling, *Arms and Influence*, 66–68.

74. Dan Altman, “Advancing without Attacking: The Strategic Game around the Use of Force” (working paper, Belfer Center, Harvard University, Cambridge, MA, July 13, 2016), 10.

75. Frank Kendall, “Defense Science Board 2016 Terms of Reference,” undated.

76. Mazarr, *Mastering the Gray Zone*.

77. Patrick M. Cronin et al., *Tailored Coercion: Competition and Risk in Maritime Asia* (Washington, DC: Center for a New American Security, 2014), 6.

78. Brands, “Paradoxes of the Gray Zone.”

79. Schelling, *Arms and Influence*, 66–68.

Moreover, Robert Powell describes how states can bring “coercive pressure to bear on an adversary by carrying out limited attacks in order to make the threat of future attacks more credible.”⁸⁰ Therefore, incrementalism can both avoid a crisis and demonstrate credibility to escalate if a conflict does occur.

For this reason, gradual approaches are often referred to as “salami slicing” or “cabbage peeling”—in which small actions eventually add up to a larger whole.⁸¹ As Admiral Michael McDevitt writes, these strategies “take small, incremental steps that are not likely to provoke a military response from any of the other claimants, but over time gradually change the status quo regarding disputed claims in its favor.”⁸² Some have compared this strategy to a form of political warfare in which “traditional statecraft is inadequate or ineffective, and large-scale conventional military options are not suitable or are deemed inappropriate for a variety of reasons.”⁸³ The result of incrementalism is therefore similar to asymmetry and ambiguity—conflicts are less likely to escalate.

DETECTING GRAY ZONE COERCION

Having identified the characteristics and causes of gray zone challenges, it is now possible to review the options for deterring gray zone coercion. No single approach is most effective in countering all coercive threats, so deterrence must be tailored to the specific circumstances. Therefore, this section puts forth the basic tenets of deterrence theory and below then highlights five policy trade-offs that policymakers face in deterring gray zone coercion. These policies amount to efforts to change an adversary’s risk calculus, which Glenn Snyder notes is determined by: “his valuation of an objective; the cost which he expects to suffer in an attack on the objective, as the result of various possible responses by the deterrer; the probability of various responses, including ‘no response’; and the probability of winning the objective with each possible response.”⁸⁴ If a state perceives the expected costs as higher than the expected benefits, then coercive action is unlikely.

At its core, deterrence is a form of interstate signaling, in which two or more states bargain over conflicting objectives. Deterrence is therefore different from brute force, which Robert Jervis defines as “getting the other to comply by physically forcing him to do so.”⁸⁵ Most wars might initially appear to fit the description of brute force, but Thomas Schelling explains that conflicts tend not toward total war but rather toward bargaining situations relying on the “skillful non-use of military force.”⁸⁶ Scholars label this type of bargaining behavior coercion, which is typically defined

80. Robert Powell, *Nuclear Deterrence Theory: The Search for Credibility* (Cambridge: Cambridge University Press, 1990), 3.

81. Harry Sa and Evan N. Resnick, “Reciprocal Salami-Slicing in East Asia,” RSIS Commentary no. 275, S. Rajaratnam School of International Studies, December 18, 2015.

82. Michael McDevitt, *The South China Sea: Assessing U.S. Policy and Options for the Future* (Arlington, VA: CNA Corporation, 2014), iv.

83. Votel et al., “Unconventional Warfare in the Gray Zone.”

84. Glenn H. Snyder, “Deterrence and Power,” *Journal of Conflict Resolution* 4, no. 2 (1960): 167.

85. Robert Jervis, “Deterrence Theory Revisited,” *World Politics* 31, no. 2 (1979): 297.

86. Thomas C. Schelling, *The Strategy of Conflict* (Cambridge, MA: Harvard University Press, 20), 4–9.

as “efforts to change the behavior of a state by manipulating costs and benefits.”⁸⁷ Indeed, Alexander George argues that most conflicts include efforts “to persuade an opponent to cease his aggression rather than bludgeon him into stopping. In contrast to the blunt use of force to repel an adversary, coercive diplomacy emphasizes the use of threats to punish an adversary if he does not comply.”⁸⁸

Although deterrence and coercion are sometimes set in opposition, deterrence is itself a form of coercion.⁸⁹ Attempts to coerce include both efforts to *compel* a state to take a desired action and efforts to *deter* a state from taking an unwanted action. Schelling uses the term “compellence” to describe “initiating an action (or an irrevocable commitment to action) that can cease, or become harmless, only if the opponent responds.” Conversely, he describes deterrence as changing “the consequences if the act in question—the one to be deterred—is then taken.”⁹⁰ Thus, deterrent strategies are intended to keep an adversary from taking proscribed actions, while compellent strategies aim to cause an adversary to change a behavior already in progress.⁹¹ Therefore, Robert Art writes, “Compellence may be easier to demonstrate than deterrence, but it is harder to achieve.”⁹² Most scholars agree that it is easier to deter than to compel because compellence requires that the target change its behavior.⁹³

Deterrence and compellence need not rely only on threats. As Alexander George writes, “The strategy of coercive diplomacy can use positive inducements and assurances as well as punitive threats to influence an adversary.”⁹⁴ In his early work, Schelling analyzed how states can effectively couple threats and promises in an effort to deter or compel adversaries and how they can improve those threats and promises through manipulation of uncertainty and randomization.⁹⁵ Other scholars have also established that the most effective type of deterrence often uses “threats and assurances in combination to influence the behavior of real or potential adversaries.”⁹⁶ For

87. Throughout his work, Robert Pape calls “coercion” what most scholars call “compellence,” but the definition of coercion above closely mirrors that used in the existing literature. Others who use the terms in a similar way include Alexander George, who writes, “Coercive diplomacy needs to be distinguished from deterrence, a strategy that employs threats to dissuade an adversary from undertaking a damaging action in the future.” Robert A. Pape, *Bombing to Win: Air Power and Coercion in War* (Ithaca, NY: Cornell University Press, 1996), 4; Alexander L. George, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War* (Washington, DC: United States Institute of Peace, 1991), 5–10.

88. George, *Forceful Persuasion*, 5–10.

89. Although Merriam-Webster defines coercion as the act of making someone do something by using force or threats, this differs from the academic literature, whose definition commonly includes the offering of positive inducements and other efforts to prevent action. “Coerce,” *Merriam-Webster.com*, accessed August 16, 2016.

90. Schelling, *Arms and Influence*, 72.

91. Schelling, *Strategy of Conflict*, 194–199; Schelling, *Arms and Influence*, 71.

92. Robert J. Art, “To What Ends Military Power?,” *International Security* 4, no. 4 (Spring 1980): 8.

93. Schelling, *Arms and Influence*, 100.

94. George, *Forceful Persuasion*, 5–10.

95. Schelling, *Strategy of Conflict*, 177–178, 192–193.

96. Thomas J. Christensen, *Worse Than a Monolith: Alliance Politics and Problems of Coercive Diplomacy in Asia* (Princeton, NJ: Princeton University Press, 2011), 1.

example, Timothy Crawford and Yasuhiro Izumikawa explain that states seeking to divide an alliance often use wedge strategies relying on both rewards and threats to convince a state to abandon its ally.⁹⁷ Thus, Paul Huth and Bruce Russett explain that deterrence is “the attempt by policymakers in state A to prevent, by threat of retaliatory sanction or contingent reward, the policymakers in state B from initiating a specific course of action in pursuit of policy objectives.”⁹⁸

Deterrence, therefore, relies on communication to change an adversary’s decisionmaking calculus.⁹⁹ As William Kaufman explains, “A deterrence policy thus constitutes a special kind of forecast: a forecast about the costs and risks that will be run under certain conditions, and the advantages that will be gained if those conditions are avoided.”¹⁰⁰ The task of changing adversary perceptions and calculations is thus vital to effective deterrence.¹⁰¹ Yet, some critics of deterrence theory argue that it is conceptually flawed because it incorrectly assumes that “leaders are (1) instrumentally rational, (2) risk-prone gain maximizers, (3) free of domestic constraints, and (4) able correctly to identify themselves as defenders or challengers.”¹⁰² Indeed, the early efforts to study deterrence theory often overlooked the importance of perceptual variables.¹⁰³ More recent works on deterrence, however, have addressed the issue of perception more directly.¹⁰⁴ In particular, scholars

97. Timothy W. Crawford, “Preventing Enemy Coalitions: How Wedge Strategies Shape Power Politics,” *International Security* 35, no. 4 (Spring 2011): 155–189; Yasuhiro Izumikawa, “To Coerce or Reward? Theorizing Wedge Strategies in Alliance Politics,” *Security Studies* 22, no. 3 (July 2013): 498–531.

98. Paul Huth and Bruce Russett, “Testing Deterrence Theory: Rigor Makes a Difference,” *World Politics* 42, no. 4 (1990): 471.

99. For example, Pape suggests that states must assess four different issues in conducting coercion: “the balance of resolve, balance of interests, vulnerability to attack, and balance of forces.” Pape, *Bombing to Win*, 4–5.

100. William W. Kaufmann, “The Requirements of Deterrence,” in *Military Policy and National Security*, ed. William W. Kaufmann (Princeton, NJ: Princeton University, 1956), 12–38.

101. On this point, see Ole R. Holsti, *Crisis, Escalation, War* (Montreal: McGill-Queen’s University Press, 1972).

102. Richard Ned Lebow and Janice Gross Stein, “Rational Deterrence Theory,” *World Politics* 41, no. 2 (January 1989): 224.

103. In 1979, Robert Jervis identified three waves of deterrence research: initial responses were to the advent of the atomic bomb; the second emerged in the 1950s and 1960s and used innovative tools such as game theory to develop nuclear strategy; the third emerged in earnest in the 1970s, focused on qualitative and quantitative “tests” of deterrence theory and dominated the field for several decades. More recently, a fourth wave of scholarship has focused on how deterrence theories may apply beyond traditional interstate military rivalries to whether and how nonstate actors and other asymmetric threats can be deterred. Jervis, “Deterrence Theory Revisited”; Jeffrey W. Knopf, “The Fourth Wave in Deterrence Research,” *Contemporary Security Policy* 31, no. 1 (2010): 1–4, 24. See also Paul K. Davis and Brian Michael Jenkins, *Deterrence and Influence in Counterterrorism: A Component of the War on al Qaeda* (Santa Monica, CA: RAND Corporation, 2002), 13–16; Robert F. Trager and Dessislava P. Zagorcheva, “Deterring Terrorism: It Can Be Done,” *International Security* 30, no. 3 (Winter 2005–2006); Alex S. Wilner, “Deterring the Undeterrable: Coercion, Denial, and Delegitimation in Counterterrorism,” *Journal of Strategic Studies* 34, no. 1 (February 2011); Amir Lupovici, “The Emerging Fourth Wave of Deterrence Theory—Toward a New Research Agenda,” *International Studies Quarterly* 54, no. 3 (2010): 705–732.

104. Philip Tetlock suggests that deterrence theories are based on assumptions that

- (a) some states have expansionist objectives . . . (b) expansionist states can be deterred from aggression by threats of punishments (or denial of gain) . . . and (c) deterring potential aggressors requires convincing the leadership of the expansionist state that the status quo power possesses both the political will and military means to enact threats sufficiently large to change the cost-benefit calculus of the aggressor to the desired degree.

have increasingly focused on the need to “tailor” deterrence to the perceptions and values systems of adversaries.¹⁰⁵

As this brief overview suggests, the existing literature on deterrence provides a rich set of theoretical concepts and empirical findings for policymakers seeking to counter gray zone coercion. Although the classic literature on deterrence emerged in response to the nuclear revolution, it also provides insight into the unique challenges of gray zone deterrence. The following sections examine five trade-offs that emerge from the deterrence literature, relating to reliance on denial or punishment strategies, public or private signaling, ambiguous or specific commitments, tight or distant alliances, and acceptance of or aversion to risk.

Deterrence by Denial vs. Punishment

Deterrent threats can take several forms. Richard Betts notes that “an enemy will not strike if it knows the defender can defeat the attack or can inflict unacceptable damage in retaliation.”¹⁰⁶ This comment distinguishes between denial and punishment strategies. According to Glenn Snyder, deterrence by punishment seeks to communicate to an adversary that if it proceeds with a proscribed action it will suffer pain that is too great to make the action worthwhile. Deterrence by denial involves convincing a competitor that if it proceeds with a proscribed action, it will not achieve its goals.¹⁰⁷ Although deterrence by punishment has generally been associated with nuclear weapons and deterrence by denial with conventional capabilities, gray zone deterrence will often include nonmilitary punishment and denial.

The United States also practiced deterrence by punishment in the Cold War. In the 1950s, deterrence by denial seemed untenable given growing Soviet military capabilities in Europe, so some U.S. leaders favored a strategy of massive retaliation. Richard Nixon stated in 1954, “Rather than let the Communists nibble us to death all over the world in little wars we would rely in the future primarily on our massive mobile retaliatory power.”¹⁰⁸ Yet, William Kaufman warned that large escalations were not credible because U.S. leaders “do not tend to retaliate massively against anyone except in the face of provocations as extreme as Pearl Harbor . . . the minimum requirements of credibility have not been fulfilled in the case of massive retaliation.”¹⁰⁹ By 1958,

Philip E. Tetlock, “Testing Deterrence Theory: Some Conceptual and Methodological Issues,” *Journal of Social Issues* 43, no. 4 (January 1987): 86–87.

105. Colin Gray, *Maintaining Effective Deterrence* (Carlisle, PA: Army War College, 2003), 21–31; Robert Jervis, “Deterrence, Rogue States, and the Bush Administration,” in *Complex Deterrence: Strategy in the Global Age*, ed. T. V. Paul, Patrick M. Morgan, and James J. Wirtz (Chicago: University of Chicago Press, 2009); Jeffrey W. Knopf, “Wrestling with Deterrence: Bush Administration Strategy after 9/11,” *Contemporary Security Policy* 29, no. 2, (2008): 253–256; Patrick M. Morgan, *Deterrence Now* (Cambridge: Cambridge University Press, 2003), 66–67; M. Elaine Bunn, “Can Deterrence Be Tailored?,” *Strategic Forum* 225 (January 2007).

106. Richard K. Betts, “The Lost Logic of Deterrence,” *Foreign Affairs* 92, no. 2 (March–April 2013). See also Patrick M. Cronin, *The Challenge of Responding to Maritime Coercion* (Washington, DC: Center for a New American Security, September 2014).

107. Snyder, *Deterrence and Defense*, 14–16.

108. Nixon quoted in *New York Times*, March 14, 1954, 44.

109. Kaufmann, “Requirements of Deterrence.”

Albert Wohlstetter observed that “the notion of massive retaliation as a responsible retort to peripheral provocations vanished.”¹¹⁰ Instead, scholars suggested that “a more reliable strategy for deterring deliberate escalation is one that buttresses threats of punishment with visible capabilities for denial.”¹¹¹

In examining whether deterrence by denial or deterrence by punishment is more effective, Robert Pape concludes, “The evidence shows that it is the threat of military failure, which I call denial, and not threats to civilians, which we may call punishment, which provides the critical leverage in conventional coercion.”¹¹² Lawrence Freedman agrees: “denial is a more reliable strategy than punishment because, if the threats have to be implemented, it offers control rather than continuing coercion.”¹¹³ Other scholars have found that “serious weaknesses emerge in punishment-based deterrence when there is significant asymmetry of stakes between parties to the conflict.”¹¹⁴ As a result, punishment-based deterrence may be even more difficult in gray zone conflicts that involve significant interest asymmetries and escalation avoidance. For this reason, Wess Mitchell argues that the United States should respond to gray zone coercion by relying more heavily on deterrence by denial. He suggests denying Russia and China their objectives by either making “an ally or piece of territory harder to take . . . the revisionist’s coveted object harder to keep . . . [or] the ally or territory in question stronger industrially than the attacker.”¹¹⁵

A related question is whether a deterrer should seek to rely more on threats of horizontal or vertical escalation. Horizontal escalation is often defined as “expanding the geographic scope of a conflict,” but can also include escalation in other domains of conflict. Vertical escalation, on the other hand, is “an increase in the intensity of armed conflict or confrontation.”¹¹⁶ Herman Kahn similarly distinguished between escalating “by increasing intensity, widening the area, or compounding escalation.”¹¹⁷ Deterrence by denial often requires the use of vertical escalation, whereas horizontal escalation best suits deterrence by punishment. States with robust horizontal escalation options, such as the United States, may prefer to respond in the place and manner of their choosing. For example, David Gompert and Hans Binnendijk suggest that the United States has substantial power to coerce adversaries without going to war by using economic sanctions, arms and technology embargoes, exploitation of energy supplies, maritime intercepts, support for adversaries’ opponents, and offensive cyber operations.¹¹⁸ Robert Blackwill and Jennifer Harris have likewise recently suggested the United States more systematically use “economic instruments to accomplish geopolitical objectives,”

110. Albert Wohlstetter, “The Delicate Balance of Terror,” *Foreign Affairs* 37, no. 2 (January 1959): 211–234.

111. Forrest E. Morgan et al., *Dangerous Thresholds: Managing Escalation in the 21st Century* (Santa Monica, CA: RAND Corporation, 2008), xiii.

112. Pape, *Bombing to Win*, 10.

113. Lawrence Freedman, *Deterrence* (Cambridge: Polity Press, 2004), 39.

114. Morgan et al., *Dangerous Thresholds*, xiii.

115. A. Wess Mitchell, “The Case for Deterrence by Denial,” *American Interest*, August 12, 2015.

116. Morgan et al., *Dangerous Thresholds*, 18.

117. Kahn, *On Escalation*, 4.

118. David C. Gompert and Hans Binnendijk, *The Power to Coerce: Countering Adversaries without Going to War* (Santa Monica, CA: RAND Corporation, 2016).

including deterrence.¹¹⁹ Critics of horizontal escalation (like critics of deterrence by punishment) worry about its credibility. Writing during the Cold War, Joshua Epstein explained, “Horizontal escalation—the United States’ most recent asymmetric experiment—also fails to meet the basic requirement of credibility.”¹²⁰ Without credibility, even the most severe threats or most attractive inducements are useless. As Glenn Snyder notes, “Political power resides in two distinct elements: capabilities (or the capacity to affect object values by application of a power base) and the opponent’s perception of the intent to use these capabilities if one’s demands are not met.”¹²¹ Horizontal escalation may be less credible because it is usually costly to the deterrer, but unable to prevent the adversary from achieving its objective. As Schelling writes, “We often forget that both sides of the choice, the threatened penalty and the proffered avoidance or reward, need to be credible.”¹²²

In short, the capability to deny is likely to be easier for an adversary to accurately assess than the intention to punish. Snyder argues, “The threat of denial action is likely to be appraised by the aggressor in terms of the deterrer’s capabilities; threats of nuclear punishment require primarily a judgment of intent.”¹²³ Therefore, deterrence by denial may be a more credible and convincing threat than deterrence by punishment. However, a dominant power may have more options and asymmetric advantages available for deterrence by punishment than deterrence by denial. For a dominant power experiencing relative decline, the capability to deny may become less credible over time, thus incentivizing the consideration of other options to achieve the same objectives.

Public vs. Private Signaling

Once a deterrer determines the type of commitment it wants to communicate, it must then convey that commitment to its adversary. For commitments to be credible, they must be costly. If a commitment is not costly, then it does not provide any information about a state’s capabilities or intentions and should not change an adversary’s calculations. James Fearon notes that to credibly communicate interests to other states, “Leaders might either (a) tie hands by creating audience costs that they will suffer *ex post* if they do not follow through on their threat or commitment . . . or (b) sink costs by taking actions such as mobilizing troops that are financially costly *ex ante*.”¹²⁴ Therefore, leaders typically must choose whether to demonstrate resolve by publicly placing their reputation at risk or engage in more private signaling using costly actions.

119. Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016), 1–3.

120. Joshua M. Epstein, “Horizontal Escalation: Sour Notes of a Recurrent Theme,” *International Security* 8, no. 3 (Winter 1983): 30.

121. Snyder, “Deterrence and Power,” 165.

122. Schelling, *Arms and Influence*, 75.

123. Snyder, *Deterrence and Defense*, 15–16.

124. James D. Fearon, “Signaling Foreign Policy Interests: Tying Hands versus Sinking Costs,” *Journal of Conflict Resolution* 41, no. 1 (February 1997): 68. This is a particular challenge for patrons seeking to assist allies while managing relations with a third party. See Frank C. Zagare and D. Marc Kilgour, “Alignment Patterns, Crisis Bargaining, and Extended Deterrence: A Game-Theoretic Analysis,” *International Studies Quarterly* 47, no. 4 (December 2003): 587–615. See also Keren Yarhi-Milo, Alex Lanoszka, and Zack Cooper, “To Arm or to Ally? The Patron’s Dilemma and the Strategic Logic of Arms Transfers and Alliances,” *International Security* 41, no. 2 (2016): 90–139.

The most obvious way to convey a costly deterrent message is for the deterrer to put its forces at risk and therefore accept a cost that serves as a credible signal. As Branislav Slantchev notes, “Verbal threats to use force are neither inherently costly nor do they improve one’s chance of victory should war break out . . . military actions can sink costs and tie hands at the same time.”¹²⁵ Therefore, many experts view the posturing of forces as more credible than mere assertions. For example, during the 1995–1996 Taiwan Strait crisis, the United States sought to deter China by sending two aircraft carrier battle groups to the region, demonstrating that Washington was willing to accept the costs of deploying its forces to uphold its commitments. Large deployments of forces to Germany, Japan, South Korea, and elsewhere also served a similar “sunk cost” role in the Cold War, and continue to serve that purpose today.

The other way to demonstrate commitment is by using reputational risk to tie hands, thereby decreasing the likelihood that a leader reneges on a promise. Reputation risk must be costly to serve as an informative signal of future intentions. Scholars use the term “audience costs” to describe costly reputational signals, which arise from “concerns about the international reputation of the country and its leaders.”¹²⁶ Some scholars argue that democracies are more capable of using reputation to convey deterrent messages. Fearon suggests that “the side with the stronger audience (e.g., a democracy) is always less likely to back down than the side less able to generate audience costs (a nondemocracy),” and therefore concludes that “democracies should be able to signal their intentions to other states more credibly and clearly than other states can.”¹²⁷ For this reason, Joe Eyerman and Robert Hart argue that “democracies should be less likely to back down in crises and thus be able [to] signal resolve more effectively than autocratic states.”¹²⁸ Kurt Gaubatz agrees that “contrary to the traditional image of unreliability, democratic states should be relatively effective at making international commitments,” due to liberal democracies’ distinctive preferences, stability, institutions, transparency, and laws.¹²⁹

Critics charge, however, that audience cost theories have little empirical grounding.¹³⁰ Marc Trachtenberg writes that despite the intuitiveness of the theory, “it is hard . . . to point to a single great power crisis won by a democracy in which audience costs generated by public threats were

125. Branislav L. Slantchev, “Military Coercion in Interstate Crises,” *American Political Science Review* 99, no. 4 (November 2005): 545.

126. Michael Tomz, “Domestic Audience Costs in International Relations: An Experimental Approach,” *International Organization* 61, no. 4 (October 2007): 836.

127. James D. Fearon, “Domestic Political Audiences and the Escalation of International Disputes,” *American Political Science Review* 88, no. 3 (1994): 577.

128. Joe Eyerman and Robert A. Hart, “An Empirical Test of the Audience Cost Proposition: Democracy Speaks Louder than Words,” *Journal of Conflict Resolution* 40, no. 4 (December 1996): 597.

129. Kurt Taylor Gaubatz, “Democratic States and Commitment in International Relations,” *International Organization* 50, no. 1 (December 1996): 114–123.

130. Brian Lai and Dan Reiter, “Democracy, Political Similarity, and International Alliances, 1816–1992,” *Journal of Conflict Resolution* 44, no. 2 (2000): 203; Branislav L. Slantchev, “Politicians, the Media, and Domestic Audience Costs,” *International Studies Quarterly* 50, no. 2 (June 2006): 445–477; Kenneth A. Schultz, “Looking for Audience Costs,” *Journal of Conflict Resolution* 45, no. 1 (February 2001): 32–60.

an important factor.”¹³¹ Jack Snyder and Erica Borghard argue that publics typically care more about prudence and substance than consistency, minimizing the importance of audience costs.¹³² Moreover, Jessica Weeks shows that some autocratic regimes can generate audience costs depending on whether “domestic actors have the means and desire to coordinate to oust the leader; whether outsiders can observe that an audience can punish the leader; and whether the audience views backing down negatively.”¹³³ Despite these critiques, Kenneth Schultz finds that democracies are “more selective about threatening force,” which means that “the threats they make tend to be particularly effective.”¹³⁴ Other scholars have found that nondemocratic states and major powers are more likely to violate commitments, given that their “costs of renegeing on agreements may be comparatively low.”¹³⁵ Yet, Alexander Downes and Todd Sechser maintain that democracies are no more effective at compelling threats than nondemocracies.¹³⁶

As this discussion demonstrates, reputational signaling must typically be conducted in public rather than private, especially in democratic regimes.¹³⁷ Otherwise, “when leaders have nothing to risk, they cannot commit to carrying out their threats.”¹³⁸ Public communication, however, has a number of potential downsides. First, public signaling might make it more difficult for an adversary to back down by creating domestic political opposition within the adversary’s own population.¹³⁹ For example, if an adversary’s leader has also staked her reputation on a certain issue, then public pronouncements could make a dispute more politically salient and strengthen her resolve to fight. Second, a state with an extended deterrent commitment may worry that public comments will embolden its ally and entrap it in a conflict, whereas private messaging might avoid conflict by demonstrating commitment only to an adversary. Third, if the public’s preferences diverge from those of the leader, then a leader’s public commitments may not incur audience costs. Thus, when a leader and public have different preferences, a leader may incur a form of audience costs by initiating secret efforts that, if revealed to the public, would invite domestic punishment.¹⁴⁰

131. Trachtenberg, “Audience Costs,” 38.

132. Jack Snyder and Erica Borghard, “The Cost of Empty Threats: A Penny, Not a Pound,” *American Political Science Review* 105, no. 3 (August 2011): 437–546.

133. Jessica L. Weeks, “Autocratic Audience Costs: Regime Type and Signaling Resolve,” *International Organization* 62, no. 1 (January 2008): 44.

134. Kenneth A. Schultz, *Democracy and Coercive Diplomacy* (Cambridge: Cambridge University Press, 2001), xiv.

135. Brett Ashley Leeds, “Alliance Reliability in Times of War: Explaining State Decisions to Violate Treaties,” *International Organization* 57, no. 4 (September 2003): 803.

136. Alexander B. Downes and Todd S. Sechser, “The Illusion of Democratic Credibility,” *International Organization* 66, no. 3 (July 2012): 457–489.

137. For a response to critics of audience costs, see Branislav L. Slantchev, “Audience Cost Theory and Its Audiences,” *Security Studies* 21, no. 3 (2012): 376–382.

138. Alastair Smith, “International Crises and Domestic Politics,” *American Political Science Review* 92, no. 3 (September 1998): 633–634.

139. On the related concept of two-level games, see Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-Level Games,” *International Organization* 42, no. 3 (June 1988): 427.

140. See Keren Yarhi-Milo, “Tying Hands behind Closed Doors: The Logic and Practice of Secret Reassurance,” *Security Studies* 22, no. 3 (2013): 405–435. See also Robert Jervis, *The Logic of Images in International Relations* (Princeton, NJ: Princeton University Press, 1970).

These benefits are real, but private signaling usually cannot rely on tying hands, only sinking costs.¹⁴¹ Therefore, private signaling may be more difficult to make credible than public signaling. After all, “foreign policy statements convey information about a leader’s type and propensity to intervene.”¹⁴² The very fact that a signal is private may convey a desire not to escalate, thereby undermining an adversary’s perception that the deterrer is willing to accept substantial costs. Given that commitment requires “subjective belief on the part of others that it will carry through with a certain course of action,” public signaling is often required.¹⁴³

Ambiguous vs. Specific Commitments

Having decided on the type of deterrent commitment and the means of communicating that commitment, a state must stipulate the ambiguity or specificity of its commitment.¹⁴⁴ Ambiguity can describe either the deterrer’s red lines or likely responses. Yet, at first glance, both forms of ambiguity would seem to violate the general tenets of effective deterrence.¹⁴⁵ As Brett Benson writes, “The claim that ambiguity can maintain peace in a crisis challenges our intuition.”¹⁴⁶ After all, Tom Christensen describes successful deterrence as “the use of clear and credible threats and assurances in combination to dissuade target countries from undesirable behavior.”¹⁴⁷

Given that deterrence requires effective communication, why would a state make ambiguous commitments? Proponents of ambiguity argue that it has four main benefits. First, ambiguous commitments may be advantageous in generally deterring a challenge from an adversary. Second, ambiguity may deter an opponent from probing actions by avoiding provision of information about where red lines exist. Third, ambiguous commitments may be valuable when a deterrer wishes to engage in strategic reassurance with an adversary. Fourth, and perhaps most important for the United States, an ambiguous commitment is less likely to embolden a deterrer’s ally into taking risky actions that might entrap the deterrer in a conflict. These arguments are explored below.

First, ambiguous commitments can be advantageous for what scholars call general deterrence. Theorists have long differentiated between two forms of deterrence: general and immediate. Patrick Morgan defines immediate deterrence as occurring when a challenge is resisted without violence.¹⁴⁸ General deterrence, on the other hand, holds when a crisis does not arise in the first

141. Anne Sartori argues that states usually avoid bluffing for fear of damaging their credibility, even if bluffs are made in private. Anne E. Sartori, *Deterrence by Diplomacy* (Princeton, NJ: Princeton University Press, 2005).

142. Smith, “International Crises and Domestic Politics,” 633–634.

143. Gaubatz, “Democratic States and Commitment in International Relations,” 111.

144. Schelling, *Arms and Influence*, 55, 66–67.

145. On this point, Fearon explains that “partial commitments” do not occur in many bargaining models. Fearon, “Signaling Foreign Policy Interests.”

146. Brett V. Benson, *Constructing International Security: Alliances, Deterrence, and Moral Hazard* (Cambridge: Cambridge University Press, 2012), 1.

147. Christensen, *Worse than a Monolith*, 2.

148. Patrick M. Morgan, *Deterrence: A Conceptual Analysis* (Beverly Hills, CA: SAGE Publications, 1983), 31–43.

place.¹⁴⁹ Ambiguity may not be needed in general deterrence situations. However, failures of general deterrence can result in immediate challenges. As Jervis notes, “The very fact that a case of immediate deterrence arises means that the defender thought he had a defensible position and the challenger thought that he could get his way by force or coercion.”¹⁵⁰ Therefore, when a general deterrent threat fails, an immediate deterrence crisis can be triggered. In such situations, ambiguity may invite coercion or prompt miscalculation by decreasing the adversary’s expectation that the deterrer will follow through on its commitment.¹⁵¹

Second, ambiguity may prevent certain types of coercion, such as probing actions.¹⁵² Ambiguity increases the likelihood of certain types of deterrence failure and decreases others. In a detailed study, Alexander George and Richard Smoke establish three types of deterrence failure: the *fait accompli*, the limited probe, and controlled pressure.¹⁵³ Given the number of options for an adversary to challenge a deterrer, it may be difficult for a deterrer to tailor its strategy for all potential scenarios. For example, specificity might increase the chance of a *fait accompli*, if the adversary knows exactly where a red line is and can avoid triggering it. Conversely, specificity might be necessary against a limited probe requiring clear red lines, lest incrementalism lead to effective coercion. Thus, the level of ambiguity must be tailored to the specific circumstances.

Third, ambiguous commitments may be valuable when a deterrer wishes to engage in strategic reassurance with an adversary. Specific threats can worsen the security dilemma, triggering an adversary to adopt countervailing threats and leading to an escalation spiral.¹⁵⁴ Jervis warns that “the success of immediate deterrence can weaken general deterrence in the future by increasing the loser’s grievances, convincing it that the state is a grave menace, increasing its incentives to stand firm in the next confrontation, or even leading it to fight in order to change a situation which has become intolerable or is expected to deteriorate.”¹⁵⁵ Ambiguous commitments may be less likely to incur such damage, allowing a deterrer and a potential adversary to seek future rapprochement.¹⁵⁶

Fourth, when a state has an extended deterrence guarantee, it may wish to restrain an ally as well as an adversary. Brett Benson warns that “pledges of military assistance can induce moral hazard

149. Others differentiate between short-term deterrence and long-term deterrence. See Huth and Russett, “Testing Deterrence Theory,” 474.

150. Robert Jervis, “Rational Deterrence: Theory and Evidence,” *World Politics* 41, no. 2 (1989): 194.

151. On this point, see Mira Rapp-Hooper, “Absolute Alliances: Extended Deterrence in International Politics” (PhD diss., Columbia University, unpublished), ch. 4.

152. In a related argument, Paul Huth suggests “three alternative options for using military force: 1. limited aims strategy, 2. rapid offensive attack strategy, 3. attrition strategy.” Paul K. Huth, “Extended Deterrence and the Outbreak of War,” *American Political Science Review* 82, no. 2 (1988): 426. See also Mearsheimer, *Conventional Deterrence*.

153. Alexander L. George and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice* (New York: Columbia University Press, 1974), 534–549.

154. Robert Jervis, “Cooperation under the Security Dilemma,” *World Politics* 30, no. 2 (January 1978): 167–214.

155. Jervis, “Rational Deterrence,” 199.

156. Scholars have noted that aggressive, explicit threats also tend to have negative long-term consequences on the threatened state’s assessment of the former’s intentions. See Robert F. Trager, “Long-Term Consequences of Aggressive Diplomacy: European Relations after Austrian Crimean War Threats,” *Security Studies* 21, no. 2 (2012): 232–265.

on the part of protégé.”¹⁵⁷ States can use ambiguity to limit this risk by adopting either conditional or probabilistic deterrence. Conditional deterrence occurs when states “condition alliance members’ military response on a given hostile action by the adversary.”¹⁵⁸ Probabilistic deterrence occurs when commitments “include language permitting the possibility alliance members may escape obligations once a *casus foederis* [alliance obligation] has been triggered and hostilities have begun.”¹⁵⁹ Benson finds that conditional and probabilistic alliances can be valuable in restraining an otherwise revisionist ally from engaging in actions that might entrap the great power patron. This challenge of balancing alliance entrapment and abandonment is discussed in detail below.

Despite these benefits, ambiguity has several downsides. Most important, given that deterrence rests on credible commitments, many scholars argue that an ambiguous commitment is likely to be seen as less credible. It is important to remember that gray zone coercion is by definition designed to use ambiguity to avoid escalation. Therefore, when deterrence commitments are ambiguous about the types of contingencies that fall within the scope of an alliance or the nature of aid that would be forthcoming in an attack, an adversary will be less likely to expect a deterrent to intervene. As Schelling notes, “Any loopholes the threatening party leaves himself, if they are visible to the threatened party, weaken the visible commitment and hence reduce the credibility of the threat.”¹⁶⁰ Fuzzier commitments may therefore provide more appealing targets for opportunism.¹⁶¹ As Richard Betts warns, “U.S. policy now amounts to a yellow light, a warning to slow down, short of a firm requirement to stop. Yellow lights, however, tempt some drivers to speed up.” For this reason, Betts suggests that “when the United States does choose to apply deterrence and is willing to fight, the deterrent warning must be loud and clear, so the target cannot misread it. Deterrence should be ambiguous only if it is a bluff.”¹⁶²

Tight vs. Distant Alliances

A deterrent’s communication with an adversary is only part of the challenge in gray zone encounters involving alliances. Allied decisionmaking adds yet another layer of complexity to deterrence efforts, particularly because allies often face different threats with asymmetric interests and capabilities. Allies therefore worry about both entrapment (“being dragged into a conflict over an ally’s interests that one does not share, or shares only partially”) and abandonment (“defection” through re-alignment or de-alignment)—what Glenn Snyder calls the “alliance security dilemma.”¹⁶³ Just as deterrence includes bargaining, so do alliances.

157. Benson, *Constructing International Security*, 12.

158. Brett V. Benson, “Unpacking Alliances: Deterrent and Compellent Alliances and Their Relationship with Conflict, 1816–2000,” *Journal of Politics* 73, no. 4 (October 2011): 1117.

159. *Ibid.*, 1119.

160. Schelling, *Strategy of Conflict*, 40.

161. Mira Rapp-Hooper, Zack Cooper, and Jake Douglas, “A New Model of Great Power Transition? Power Shifts under Extended Deterrence” (conference paper, Institute for Security and Conflict Studies, May 2016).

162. Betts, “Lost Logic of Deterrence.”

163. Glenn H. Snyder, “The Security Dilemma in Alliance Politics,” *World Politics* 36, no. 4 (July 1984): 466.

Extended deterrence, whether nuclear or conventional, is therefore more complex than direct deterrence. Paul Huth describes extended deterrence as “a confrontation in which the policymakers of one state (‘defender’) threaten the use of force against another state (‘potential attacker’) in an attempt to prevent the state from using military force against an ally—or territory controlled by the ally (‘protégé’) of the defender.”¹⁶⁴ Thus, extended deterrence adds a third party and creates a “composite security dilemma.” In such situations, Snyder argues that states must balance efforts “to conciliate the adversary, to deter or otherwise coerce the adversary, to preserve the alliance (avoid abandonment), and to restrain the ally (avoid entrapment).”¹⁶⁵ This set of challenges is why Tom Christensen highlights the difficulty of alliance politics in carrying out coercive diplomacy.¹⁶⁶

To deter credibly, an alliance must represent a costly commitment.¹⁶⁷ James Morrow explains that alliances can provide credible signals because they “impose peacetime costs on their members. . . . Tighter alliances tend to produce greater deterrence and a higher probability of intervention.”¹⁶⁸ Alliance commitments can be demonstrated in multiple ways. Huth outlines six possibilities: “[1] symbolic show of force, display of military presence; [2] demonstration of military capabilities; [3] build-up of military forces; [4] positioning of forces for immediate use; [5] preparation of forces for immediate use; [6] mobilization of forces for war.”¹⁶⁹ Yet, military tools are not the only demonstration of alignment. Alignment can also be demonstrated through public statements, arms sales, joint training, exercises, joint combat operations, rotational deployments, military access agreements, permanent military basing, and establishment of mutual defense treaties.¹⁷⁰ Each of these possible actions affects not only the ally, but also the adversary.

A weak ally facing a strong adversary should have a clear desire for a strong alliance. After all, deterrence success often requires that the deterrer have “a record of strongly supporting a threatened protégé,” which should be most likely in a tight alliance.¹⁷¹ Tighter alliances typically decrease

164. Huth, “Extended Deterrence and the Outbreak of War,” 424.

165. Glenn H. Snyder, *Alliance Politics* (Ithaca, NY: Cornell University Press, 1997), 329.

166. Christensen, *Worse Than a Monolith*.

167. On the logic and mechanics of alliance formation, see Stephen M. Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1994). See also Steven R. David, “Explaining Third World Alignment,” *World Politics* 43, no. 2 (1991): 233–256.

168. James D. Morrow, “Alliances, Credibility, and Peacetime Costs,” *Journal of Conflict Resolution* 38, no. 2 (June 1994): 294.

169. Huth, “Extended Deterrence and the Outbreak of War,” 434.

170. Darren J. Lim and Zack Cooper, “Reassessing Hedging: The Logic of Alignment in East Asia,” *Security Studies* 24, no. 4 (October 2015): 703–705. See also John D. Ciorciari, *The Limits of Alignment: Southeast Asia and the Great Powers since 1975* (Washington, DC: Georgetown University Press, 2010); Zachary Selden, “Balancing Against or Balancing With?: The Spectrum of Alignment and the Endurance of American Hegemony,” *Security Studies* 22, no. 2 (April 2013): 330–364; Adam P. Liff, “Whither the Balancers? The Case for a Methodological Reset,” *Security Studies* 25, no. 3 (July 2016): 420–459.

171. Paul Huth and Bruce Russett, “What Makes Deterrence Work? Cases from 1900 to 1980,” *World Politics* 36, no. 4 (1984): 510–511. The literature on credibility and deterrence is robust. See, for example, Jonathan Mercer, *Reputation and International Politics* (Ithaca, NY: Cornell University Press, 2010); Daryl G. Press, *Calculating Credibility: How Leaders Assess Military Threats* (Ithaca, NY: Cornell University Press, 2007); Paul K. Huth, “Reputations and Deterrence: A Theoretical and Empirical Assessment,” *Security Studies* 7, no. 1 (September 1997): 72–99; Jonathan Mercer,

the risk of abandonment but increase the risk of entrapment in an unwanted conflict. Thus, tight alliances may require one ally to relinquish some degree of control to the other, particularly when dependence, commitment, or interests are asymmetrically distributed.¹⁷² As an ally's dependence grows, it creates "an asymmetric alliance," which a stronger ally can use "to exert maximum control over the smaller ally's actions."¹⁷³ However, even stronger allies can lose some degree of control in tight alliances. For example, Robert Keohane argues that institutionalized alliances "subtly alter policymakers' perceptions of agency and American interests."¹⁷⁴

A strong ally may therefore use ambiguity to implement a "saddle strategy" designed to deter both the ally and the adversary from starting a conflict.¹⁷⁵ Timothy Crawford describes how a strategy of what he terms "pivotal deterrence" can try "to prevent war by making [both] potential belligerents fear the costs, by confronting them with risks they do not want to run." Indeed, "by playing both sides against the middle, leaving them uncertain and afraid of what it may do if they go to war, a pivot may use its flexibility to deter them from fighting and to encourage them to compromise."¹⁷⁶ One way to do so is to introduce ambiguity. However, an adversary might view this as "a sign that it can encroach on an interest without provoking a serious response."¹⁷⁷ In short, the alliance literature suggests that "states fearing entrapment generally employ 'distancing' or 'hedging' strategies vis-à-vis their ally. These strategies include (1) withholding material support for the ally, (2) castigating the ally's overzealousness, (3) appeasing the adversary, or (4) abrogating the alliance."¹⁷⁸

Although it might seem that entrapment fears should always lead to alliance distancing, it is possible for a state to tighten its alliance instead to gain some control over its ally's policies. Victor Cha writes, "When faced with entrapment fears, states may actually draw closer or adhere to the ally to alleviate this fear. . . . 'Adhesion' may be preferred, for example, when entrapment fears (1) are intensely held, (2) are accompanied by power asymmetries (i.e., the larger power seeks control over the smaller one), or (3) when the smaller power has a revisionist agenda."¹⁷⁹ Indeed, Cha argues counterintuitively that the more a patron fears entrapment by its client, the more control it

"Reputation and Rational Deterrence Theory," *Security Studies* 7, no. 1 (September 1997): 100–113; Shiping Tang, "Reputation, Cult of Reputation, and International Conflict," *Security Studies* 14, no. 1 (January 2005): 34–62; Dustin H. Tingley and Barbara F. Walter, "The Effect of Repeated Play on Reputation Building: An Experimental Approach," *International Organization* 65, no. 2 (April 2011): 343–365; Powell, *Nuclear Deterrence Theory*; Alexander B. Downes and Todd S. Sechser, "The Illusion of Democratic Credibility," *International Organization* 66, no. 3 (July 2012): 457–489.

172. Snyder, *Alliance Politics*, 165–172.

173. Victor D. Cha, "Powerplay Origins of the U.S. Alliance System in Asia," *International Security* 34, no. 3 (2009): 158.

174. Robert O. Keohane, "The Big Influence of Small Allies," *Foreign Policy* 1, no. 2 (Spring 1971): 182.

175. Snyder, *Alliance Politics*.

176. Timothy W. Crawford, *Pivotal Deterrence: Third-Party Statecraft and the Pursuit of Peace* (Ithaca, NY: Cornell University Press, 2003), 5.

177. Rapp-Hooper, Cooper, and Douglas, "A New Model of Great Power Transition?"

178. Cha, "Powerplay Origins of the U.S. Alliance System in Asia," 195.

179. Ayumi Teraoka suggests another alternative to alignment, termed "waffling," which is defined as "maintaining a state of silence or ambiguity." Ayumi Teraoka, "Adhering, Distancing, or Waffling? Understanding a New Dilemma in the U.S.-Japan Alliance," *Georgetown Journal of Asian Affairs* 2, no. 1 (Spring/Summer 2015): 67–97. See also Cha, "Powerplay Origins of the U.S. Alliance System in Asia," 195.

will seek in the alliance.¹⁸⁰ Another concern is that a distancing strategy could cause an ally to defect and bandwagon with its challenger. One way to increase alliance adhesion is to “federate” alliances by integrating the development and employment of forces to permit allies to exercise more influence over each other.¹⁸¹ One challenge in close relationships of this sort is preventing policy divergence. Patrick Cronin notes, “It may be possible to outline a roster of policy instruments, but can the United States, as well as its allies and partners, implement them in a concerted fashion to ensure a likely positive outcome?”¹⁸²

The literature demonstrates that tightening and distancing have both costs and benefits for allies. Allies will often look to increase their capabilities and demonstrate their shared interests to an adversary. After all, Huth and Russett argue that “the relative balance of military capabilities will help explain” deterrence success.¹⁸³ Therefore, tightening alliances and demonstrating allied capabilities may be an effective way to provide a costly signal to an adversary. States may also wish to increase their control over their own allies, which is particularly likely when offensive advantages may force states into war through chain-ganging, making alliance buck-passing more difficult.¹⁸⁴ Because it involves robust cooperation, a tight alliance will not be possible when one ally wishes to remain distant and therefore avoid clear commitments. Even a powerful ally typically cannot force its friends into tight alliances they do not want. Therefore, distance may be unavoidable, even if one side wishes to engage in closer coordination for geostrategic reasons. Thus, alliance behavior will depend greatly on the relationships that exist between the deterrer, its ally, and its adversary.

States respond to these challenges depending on their perception of “relative dependence, their interests, and their degree of commitment.”¹⁸⁵ An ally’s fears of entrapment and abandonment tend to depend on the threat environment. In the early Cold War, for example, Japanese leaders thought the likelihood of an unprovoked Soviet attack was low and were primarily concerned with the risk of the United States entrapping Japan in a conflict. Washington, on the other hand, feared abandonment by Japan.¹⁸⁶ Today mutual concerns in the U.S.-Japan alliance appear to have reversed this dynamic, with the United States exhibiting fears of entrapment and Japan demonstrating concern about abandonment. Similarly, South Korea wants a clearer U.S. commitment to address concerns about North Korea, yet has sought to avoid involvement in tensions between China and Japan. Each ally “wants its own U.S. commitment but fears the spillover of

180. Victor Cha, *Powerplay: The Origins of the U.S. Alliance System in Asia* (Princeton, NJ: Princeton University Press, 2016), 32–35.

181. Michael J. Green, Kathleen H. Hicks, and Zack Cooper, *Federated Defense in Asia* (Washington, DC: Center for Strategic and International Studies, December 2014), 1.

182. Cronin, *Challenge of Responding to Maritime Coercion*, 15.

183. Huth and Russett, “What Makes Deterrence Work?,” 509.

184. Thomas J. Christensen and Jack Snyder, “Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity,” *International Organization* 44, no. 2 (March 1990): 147.

185. Snyder, *Alliance Politics*, 188.

186. John Welfield, *An Empire in Eclipse: Japan in the Postwar American Alliance System* (Atlantic Highlands, NJ: Athlone Press, 1988), 111–113.

commitments to others.”¹⁸⁷ As Victor Cha notes, “States aim to maximize their security from the alliance while minimizing their obligations to it.”¹⁸⁸

Risk Acceptance vs. Aversion

The final question for policymakers is not about how to deter, but whether to deter. Members of the U.S. Congress frequently ask both political and military leaders whether the United States should risk war with China over “rocks” in the East and South China Seas.¹⁸⁹ Some senior military officials have even echoed these questions. In 2012, Commander of Pacific Air Forces General Hawk Carlisle commented of Scarborough Shoal, “Would we really fight over that? Because it’s literally a rock in the middle of the Pacific Ocean.”¹⁹⁰ Similarly, in 2016 U.S. Chairman of the Joint Chiefs of Staff General Joseph Dunford reportedly asked Commander of U.S. Pacific Command Admiral Harry Harris, “Would you go to war over Scarborough Shoals?”¹⁹¹ These questions were raised despite assurances to the Philippines decades earlier that an attack on Philippine armed forces in the South China Sea would trigger Article IV of the U.S.-Philippines Mutual Defense Treaty.¹⁹²

The desire to avoid conflict is a natural one. Jervis notes that deterrence theory

points to the tension between the desire to increase risks in order to make the other side retreat and the desire to lower them in order to make the situation safer . . . statesmen—or at least American statesmen—lean more toward caution and prudence than the flavor of the theory indicates.¹⁹³

Bernard Brodie made a similar point in an early paper on deterrence, noting that “the United States is, and has long been, a status quo power” and citing “enormous American cultural resistance to hitting first in a period of threatened total war.”¹⁹⁴ Summarizing these tendencies, scholars have found that low stakes in past conflicts have enabled adversaries “to achieve escalation dominance on U.S. forces despite U.S. asymmetric strength in conventional warfighting capabilities.”¹⁹⁵ For

187. Joseph A. Bosco, “Entrapment and Abandonment in Asia,” *National Interest*, July 8, 2013.

188. Victor D. Cha, “Abandonment, Entrapment, and Neoclassical Realism in Asia: The United States, Japan, and Korea,” *International Studies Quarterly* 44, no. 2 (2000): 267.

189. See, for example, “SPF/HFAC Hearing: South China Sea Maritime Disputes,” House Armed Services Committee, July 7, 2016.

190. Sydney J. Freedberg, Jr., “U.S. Won’t Fight China over Pacific ‘Rock’; PACOM Strives for Strategic Ambiguity,” *Breaking Defense*, September 19, 2012.

191. Helene Cooper, “Patrolling Disputed Waters, U.S. and China Jockey for Dominance,” *New York Times*, March 30, 2016.

192. The U.S.-Philippine Mutual Defense Treaty commits the United States to “act to meet the common dangers in accordance with its constitutional processes” if there is an “armed attack” on either’s “armed forces, public vessels or aircraft in the Pacific.” In 1999, U.S. Ambassador Thomas Hubbard wrote a letter to the Philippines’ foreign secretary confirming that the United States “considers the South China Sea to be part of the Pacific area.” Walter Lohman, “Scarborough Shoal and Safeguarding American Interests,” Heritage Foundation, May 14, 2012.

193. Jervis, “Deterrence Theory Revisited,” 303.

194. Bernard Brodie, “The Anatomy of Deterrence” (working paper, RAND Corporation, July 1958), 1–2.

195. Morgan et al., *Dangerous Thresholds*, xv.

example, risk acceptance often differs across alliances, with U.S. risk acceptance in the 2012 Senkaku Island crisis appearing to have been higher than that in the 2012 Scarborough Shoal crisis.

The perception that stakes are low, however, does not necessarily mean that all risk should be avoided. In fact, Schelling notes that attempts to avoid escalation at any cost weaken deterrence because “what deters such crises and makes them infrequent is that they are genuinely dangerous. . . . The essence of the crisis is its unpredictability.”¹⁹⁶ Elbridge Colby and Ely Ratner make this point in noting, “An overemphasis on stability can be dangerous. While preventing inadvertent war in Asia is obviously a worthy goal, it is just as important to discourage China from believing that it can employ economic, military, and diplomatic coercion to settle international disagreements without triggering a serious response.”¹⁹⁷ In short, total avoidance of risk is what Schelling might call a threat that leaves *nothing* to chance.¹⁹⁸ As discussed earlier, in many cases it may be necessary to accept risk to ensure that an adversary understands the deterrer’s commitment.¹⁹⁹

If U.S. interests are limited, does that mean that the United States cannot deter and should therefore avoid risk? Many U.S. leaders and scholars do not believe that this is the case. Admiral Michael Mullen has expressed concern about the need to hedge “against the possibility that adversaries might incorrectly perceive their actions as ‘below the threshold’ of U.S. resolve and response.”²⁰⁰ Colby and Ratner also suggest that “the United States needs to inject a healthy degree of risk into Beijing’s calculus, even as it searches for ways to cooperate with China . . . the United States should pursue policies that actually elevate the risks—political, economic, or otherwise—to Beijing of acting assertively.”²⁰¹ To do so, Denny Roy suggests that the United States “leverage superior U.S. capabilities and the groundswell of regional support for U.S. leadership.”²⁰²

If U.S. leaders decide to accept more risk, they may want to focus on those objectives that are most important and attainable at an acceptable risk. By using a combination of carrots and sticks, Washington may be able to deter challengers’ most destabilizing actions, even if it cannot deter all changes to the status quo. As Todd Sechser concludes, “Successful coercive diplomacy requires

196. Schelling, *Arms and Influence*, 96–97.

197. Elbridge Colby and Ely Ratner, “Roiling the Waters,” *Foreign Policy*, January 21, 2014.

198. Zack Cooper, “It’s Time for Gray Hulls in Gray Zones,” *War on the Rocks*, March 2, 2015. See Schelling, *Strategy of Conflict*, 187–204.

199. Along these lines, Jervis writes,

First, in almost no interactions do two adversaries understand each other’s goals, fears, means-ends beliefs, and perceptions. . . . Second, the adversary will miss or misperceive many of the state’s signals. . . . Third, commitments by one actor that are objectively clear and credible . . . may not be perceived by another. . . . Fourth, actors tend to overestimate the potency of threats and underestimate the utility of rewards and reassurances. Fifth, threats and conciliation generally need to be combined, but their optimal mixture and timing is extremely difficult.

Jervis, “Rational Deterrence,” 198.

200. Michael G. Mullen, “From the Chairman: It’s Time for a New Deterrence Model,” *Joint Force Quarterly* 51 (October 2008): 2.

201. Colby and Ratner, “Roiling the Waters.”

202. Roy, “China Wins the Gray Zone by Default.”

not only a sharp sword, but also the ability to sheathe it.”²⁰³ Regardless, deterrence is unlikely to succeed without a demonstrated willingness to accept risk by making costly commitments. As Betts warns, efforts to deter without accepting risk are a form of “ambivalent deterrence,” which “is a dangerous practice, projecting provocation and weakness at the same time.”²⁰⁴ In short, accepting risk is a prerequisite for effective deterrence, but policymakers must choose the circumstances carefully. The challenge of taking into account different actors’ varying levels of risk acceptance is one of the reasons that gray zone deterrence is very difficult.

203. Sechser, “Goliath’s Curse,” 655.

204. Betts, “Lost Logic of Deterrence.”

Case Studies of Maritime Coercion

CASE 1: HARASSMENT OF THE USNS *IMPECCABLE* (2009)

Figure 3.1. Chinese Trawler Harasses the USNS *Impeccable*.



Source: U.S. Navy photo #090308-N-0000X-004 (March 8, 2009).

Overview

In March 2009, Chinese vessels repeatedly harassed two U.S. Navy ocean surveillance ships operating in China's exclusive economic zone (EEZ). The USNS *Victorious* and USNS *Impeccable* were engaged in undersea intelligence collection in the Yellow Sea and South China Sea, respectively, when each was confronted by Chinese vessels and aircraft. The most serious incident occurred on March 8 when five Chinese navy, maritime law enforcement, and fishing vessels surrounded the *Impeccable* as it operated in international waters south of China's Hainan Province. In the ensuing incident, the U.S. ship was forced to take evasive action after Chinese civilian trawlers tried to interfere with its towed sonar array, dropped obstructions in its path, and stopped directly in front of the ship as Chinese government vessels looked on (Figure 3.1). The *Impeccable* was eventually allowed to depart the area. Beijing chose not to escalate when a U.S. Navy destroyer escorted the *Impeccable* back to the area to continue its mission and Chinese state media called an end to the standoff. Although Washington and Beijing reportedly reached an informal agreement to prevent future incidents, Chinese harassment of U.S. reconnaissance vessels continued on an intermittent basis in the following months.

BOX 3.1. Background on Naval Activity in Exclusive Economic Zones

Washington and Beijing have long disagreed about the legality of certain military activities in exclusive economic zones. China argues that foreign military activities can be regulated within a coastal state's exclusive economic zone, while the United States maintains that coastal states do not have the right to restrict flag state operations beyond their territorial seas. These differing interpretations of international law have been a persistent source of Sino-American tension. Chinese forces have periodically confronted U.S. military vessels operating within China's exclusive economic zone.

Under the 1982 UN Convention on the Law of the Sea (UNCLOS), coastal states enjoy the sovereign right to explore, exploit, conserve, and manage natural resources in the waters and seabed up to 200 nautical miles (nm) from their territorial baselines. Within this exclusive economic zone and continental shelf, states also have exclusive jurisdiction for the "establishment and use of artificial islands, installations, and structures . . . marine scientific research . . . [and] the protection and preservation of the marine environment." In the exercise of these primary rights, the coastal state has the secondary right to adopt relevant laws and regulations and to enforce them through "boarding, inspection, arrest, and judicial proceedings" against foreign vessels.¹

However, the United States argues that these exclusive economic zone rights stop short of full sovereignty. Article 58 of the UN Convention on the Law of the Sea is explicit that other states still enjoy freedom of navigation and overflight and "other internationally lawful uses of the sea related to these freedoms, such as those associated with the operation of ships, aircraft and submarine cables and pipelines" within a coastal state's exclusive economic zone (Figure 3.2). It is incumbent upon foreign states to "have due regard to the rights and duties of the coastal state," yet the coastal state must also "have due regard to [their] rights and duties."²

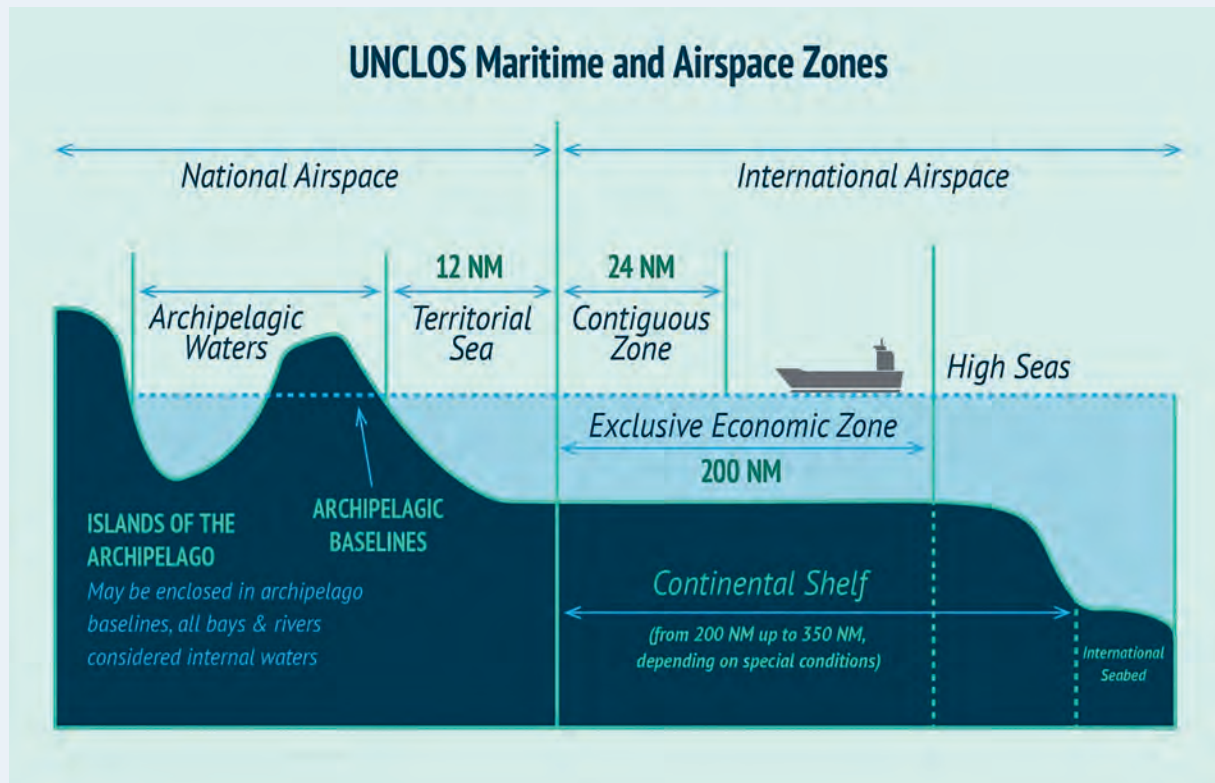
Although it awards coastal states full sovereignty in the airspace above territorial seas, the treaty does not provide the right to regulate the use of airspace above exclusive economic zones. Indeed, Article 135 is clear that the UN Convention on the Law of the Sea "shall not affect the legal status of . . . the airspace above" the continental shelf and exclusive economic zone.³ The 1944 Convention on International Civil Aviation (also known as the Chicago Convention) permits states to prohibit the entry of other states' aircraft into the airspace above its territorial waters, but it says nothing about a right to prohibit foreign military activities in the airspace beyond the territorial sea.⁴ This balance reflects a compromise reached in 1982 between coastal states like China—whose economic and security interests favor expanding their jurisdictional rights—and maritime nations like the United States that have an interest in a maximalist interpretation of freedom of the seas.⁵

Despite the relative clarity of existing international law, China and approximately 26 other countries continue to assert a right to regulate and prohibit foreign military activities in the waters of and the airspace above their exclusive economic zones.⁶ When Beijing ratified the UN Convention on the Law of the Sea, it included a declaration claiming "sovereign rights" over its 200-nautical-mile exclusive economic zone and continental shelf. China's 1992 Survey and Mapping Law, 1996 Provisions on the Administration of Foreign-Related Marine Scientific Research, and 1998 Law on

(continued)

BOX 3.1. (Continued)

Figure 3.2. Maritime Zones and Airspace under UNCLOS



the Exclusive Economic Zone and the Continental Shelf all prohibit foreign states from undertaking marine scientific research without China's permission in its internal seas, territorial seas, and "other sea areas under the jurisdiction of the People's Republic of China. This would be consistent with the generally accepted interpretation of coastal states' right to regulate marine scientific research under Article 246, except that China includes military underwater surveys and surveillance in its definition.

This dispute over the legality of naval activities within 200 nm of China's coast has occasionally led to dangerous incidents at sea. In March 2001, the unarmed ocean surveillance ship USNS *Bowditch* was "aggressively confronted" by a Chinese frigate while it was conducting underwater military surveys in China's exclusive economic zone in the Yellow Sea. After withdrawing, the *Bowditch* returned to the area a few days later with an armed U.S. Navy escort to continue its reconnaissance activities. The *Bowditch* was harassed at roughly the same location again in September 2002.⁷ More recently, on December 5, 2013, the U.S. Navy cruiser USS *Cowpens* was harassed in international waters in the South China Sea. At the time, the U.S. ship was surveilling a group of PLA Navy ships conducting regular and publicly announced exercises with China's new aircraft carrier, the *Liaoning*. One vessel peeled away from the group and cut across the bow of the *Cowpens* at a range of less than 1,500 feet, forcing its commanding officer to issue an emergency all-stop to avoid a collision.⁸

1. "United Nations Convention on the Law of the Sea," December 10, 1982, *United Nations Treaty Series* 1833, no. 31363, p. 43–44, 52.
2. *Ibid.*, 44, 52.
3. *Ibid.*, 27, 70.
4. "Convention on International Civil Aviation," August 12, 1944, *United Nations Treaty Series* 15, no. 102, 298.
5. Kimberly Hsu and Craig Murray, *China's Expanding Military Operations in Foreign Exclusive Economic Zones* (Washington, DC: U.S.-China Economic and Security Review Commission, 2013), 1.
6. The U.S. Navy generated this number at the request of the Congressional Research Service. The countries in South and East Asia that take the described position are Bangladesh, Burma, Cambodia, India, Malaysia, Maldives, North Korea, Pakistan, Sri Lanka, Thailand, and Vietnam. Ronald O'Rourke, *Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress*, CRS Report R42784 (Washington, DC: Congressional Research Service, 2015), 11.
7. Raul Pedrozo, "Close Encounters at Sea: The USNS Impeccable Incident," *Naval War College Review* 62, no. 3 (Summer 2009): 101; O'Rourke, *Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China*, 12.
8. David Alexander and Pete Sweeney, "U.S., Chinese Warships Narrowly Avoid Collision in South China Sea," Reuters, December 14, 2014; Barbara Starr, "U.S. Chinese Warships Come Dangerously Close," CNN, December 13, 2014.

Timeline

	China	United States
Phase I: Other harassment leading up to incident		
Mar 4	Patrol vessel shines spotlight on <i>Victorious</i> , crosses bow	<i>Victorious</i> conducts undersea reconnaissance in the Yellow Sea
Mar 5	Aircraft buzzes <i>Victorious</i>	
	Frigate crosses <i>Impeccable's</i> bow, aircraft does low flybys	<i>Impeccable</i> conducts undersea reconnaissance in South China Sea
Mar 7	Challenges the <i>Impeccable</i> over radio	
Phase II: Chinese ships surround and harass <i>Impeccable</i>		
Mar 8	5 Chinese ships surround <i>Impeccable</i>	
	Fishing trawlers try to cut sonar array	<i>Impeccable</i> fires water hose at crew
	Trawlers advance to within 25 ft	Offers to withdraw
	Drops debris in <i>Impeccable's</i> path	Comes to emergency all-stop
	Patrol ship approaches, but allows <i>Impeccable</i> to depart	Withdraws from the area
Phase III: U.S. and China dispute proximate vs. ultimate cause		
Mar 9		Publicizes incident and lodges protest
Mar 10	Criticizes U.S. reconnaissance missions	Links incident to aggressive pattern
Mar 11	Chinese and U.S. officials reach "agree" to avoid further incidents	
Phase IV: U.S. destroyer escorts <i>Impeccable</i> back to area		
Mar 11		Destroyer escorts <i>Impeccable</i> back
Mar 18		Threatens to send regular armed escorts
Phase V: Chinese state media call an end to the standoff		
Mar 20	State media "call an end" to standoff	

Incident Details

Phase I: Other Harassment Leading Up to Incident

On March 4, 2009, the USNS *Victorious* was operating 125 miles from China's coast in the Yellow Sea (Figure 3.3). The *Victorious* was either surveilling China's North Sea Fleet headquarters in Qingdao, which homeports a large number of PLA Navy submarines, or the Lushunkou and Huludao naval bases in Liaoning Province. On the night of March 4, a Chinese patrol vessel from the Fisheries Law Enforcement Command began harassing the *Victorious*. The fisheries ship repeatedly trained a high-intensity spotlight along the whole length of the ship, including the bridge. Then without notice or warning, the Chinese vessel crossed the bow of the *Victorious* at a range of approximately 4,200 feet. A Chinese Y-12 maritime surveillance aircraft appeared the following day. It flew past the *Victorious* at an altitude of only 400 feet and range of 1,500 feet.¹

On March 5, the USNS *Impeccable* was operating in the South China Sea, roughly 75 miles south of Hainan Island, when a PLA Navy frigate approached and crossed the *Impeccable's* bow at a range of 300 feet. Less than two hours later, a Chinese Y-12 appeared and repeatedly flew past the U.S. ship. The aircraft made 11 flybys at an altitude of 600 feet and a range of 100 to 300 feet before departing. The PLA Navy frigate then crossed the *Impeccable's* bow again at 1,200 to 1,500 feet. Neither the Chinese ship nor the aircraft ever radioed a warning or notified the *Impeccable* of its intentions.

Two days later, on March 7, a PLA Navy auxiliary general intelligence ship approached the *Impeccable*. Challenging the U.S. vessel over bridge-to-bridge radio, a PLA Navy officer asserted that U.S. military activities in the area were illegal. He demanded the *Impeccable* leave the area or be prepared to "suffer the consequences." The U.S. ship did not heed the Chinese ultimatum and remained in the area to conduct its mission. At this time, the PLA Navy was reportedly conducting a prescheduled exercise in the South China Sea involving a Chinese submarine and destroyer.² This perhaps was one target of the *Impeccable's* surveillance assignment. Unnamed U.S. officials later confirmed that the *Impeccable* was on patrol as part of a "calculated U.S. surveillance operation in the disputed South China Sea."³ The *Impeccable* may also have been mapping the undersea approaches to China's new Yulin Naval Base at Sanya, Hainan. This extensive underground facility had recently begun hosting some of China's newest ballistic missile submarines—a first for China in the South China Sea.⁴

Phase II: Chinese Ships Surround and Harass Impeccable

On March 8, five Chinese vessels surrounded the USNS *Impeccable*. These ships included one PLA Navy ship, one fisheries vessel, one China Marine Surveillance patrol ship, and two small

1. "Raw Data: Pentagon Statement on Chinese Incident with U.S. Navy," *Fox News*, March 9, 2009.

2. Bonnie Glaser, "U.S.-China Relations: A Good Beginning Is Halfway to Success," *Comparative Connections* 11, no. 1 (April 2009): 5.

3. "Officials: Ship in China Spat Was Hunting Subs," *NBC News*, March 10, 2009.

4. Hans M. Kristensen, "New Chinese SSBN Deploys to Hainan Island," *Federation of American Scientists*, April 24, 2008.

Figure 3.3. Approximate Location of the *Impeccable* Incident



Source: Mark E. Redden and Philip C. Saunders, *Managing Sino-U.S. Air and Naval Interactions: Cold War Lessons and New Avenues of Approach* (Washington, DC: National Defense University, 2012), 6.

Chinese-flagged fishing trawlers.⁵ A retired PLA Navy rear admiral later identified the chief of the Fisheries Law Enforcement Command South China Sea Bureau, Wu Zheng, as the official who directed this cross-agency operation. Close coordination between civilian and Chinese government ships was probably enabled by the state-sponsored installment of Beidou satellite navigation systems and communications hardware on Chinese fishing boats in previous years.⁶

The two fishing trawlers sailed toward the *Impeccable* while the other vessels looked on. They approached to within 50 feet, close enough for the *Impeccable* to observe personnel waving Chinese flags. An *Impeccable* crewmember filmed portions of the incident, which the U.S. Navy later released to the public. The footage captures the encirclement: one fishing trawler shadowed the *Impeccable* closely on its port side, while a white-hulled China Marine Surveillance vessel kept

5. "Raw Data," *Fox News*.

6. Ryan D. Martinson, "From Words to Actions: The Creation of the China Coast Guard" (paper presented at the China as a "Maritime Power" Conference, Arlington, VA, July 28–29, 2015), 20–21.

farther back on the port side. The gray-hulled PLA Navy intelligence ship can be seen even farther back and apart, along with the second trawler directly astern. The two fishing vessels repeated the previous day's demand that the U.S. surveillance ship withdraw from the area.⁷ It is unclear whether this demand came through bridge-to-bridge radio, over loudspeaker, or directly from Chinese personnel on the deck.

The *Impeccable's* towed sonar array was deployed at the time of the incident and quickly became a target. Personnel aboard one of the Chinese fishing ships used long poles with grappling hooks in an attempt to snag or damage the underwater equipment.⁸ Two other videos capture the trawler crossing the *Impeccable's* wake at close range in an attempt to run over the towed array.⁹ The *Impeccable* took countermeasures in response to these actions, including firing high-pressure water hoses at the deck crew of one of the Chinese ships. Undeterred, the crew stripped off their drenched clothes down to their underwear, and the two Chinese vessels continued advancing to within 25 feet of the *Impeccable*.¹⁰

Concerned by the tactics of the Chinese ships, the civilian "master" of the *Impeccable*, Captain Mark Paine, eventually yielded to the Chinese demand to withdraw. He relayed this decision to the Chinese side via bridge-to-bridge radio and requested that Chinese authorities open a means of egress through their naval encirclement. It is unclear whether anyone responded to this appeal, but shortly afterward the two trawlers abruptly stopped directly ahead of the *Impeccable* and dropped pieces of wood to block its path. Captain Paine ordered an emergency all-stop to avoid a collision.¹¹ A white-hulled Chinese vessel also blocked the U.S. ship's path and inched progressively closer until it was also only a few dozen feet from the *Impeccable*.¹² During this time, the PLA Navy ship treaded water a few hundred feet off the *Impeccable's* port side.¹³ Only after this incident was the *Impeccable* apparently allowed to proceed.

7. "Chinese Ships Approach USNS *Impeccable*—Raw Video," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009.

8. Barbara Starr, "Chinese Boats Harassed U.S. Ship, Officials Say," *CNN*, May 5, 2009; Jim Garamone, "Chinese Vessels Shadow, Harass Unarmed U.S. Survey Ship," American Forces Press Service, March 9, 2009; "Pentagon Video: 'Chinese Aggression . . . Details at 11,'" *CNN*, March 21, 2009; "Chinese Ships Approach USNS *Impeccable*—Raw Video #4," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009; "Chinese Ships Approach USNS *Impeccable*—Raw Video #5," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009.

9. "Chinese Ships Approach USNS *Impeccable*—Raw Video #2," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009; "Chinese Ships Approach USNS *Impeccable*—Raw Video #3," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009.

10. Some media outlets erroneously interpreted this disrobing as a deliberate show of disrespect. See, for example, Alex Spillus, "Chinese Ships 'Harass' Unarmed U.S. Navy Vessel," *Telegraph*, March 9, 2009.

11. "Raw Data," *Fox News*.

12. "Chinese Ships Approach USNS *Impeccable*—Raw Video #6," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009; "Chinese Ships Approach USNS *Impeccable*—Raw Video #7," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009; "Chinese Ships Approach USNS *Impeccable*—Raw Video #8," *Vimeo* video, posted by Navy Visual News Service, March 8, 2009.

13. "Raw Video #8," Navy Visual News Service.

Phase III: U.S. and China Dispute Proximate vs. Ultimate Cause

On March 9, Department of Defense spokesperson Bryan Whitman issued an official U.S. statement on the incident. The Pentagon claimed that Chinese ships had “aggressively maneuvered in dangerously close proximity” to the *Impeccable* in a “coordinated effort to harass” the ship. The report said that while shadowing by Chinese vessels and aircraft is common in the South China Sea, this incident was “more aggressive and unprofessional” than usual. Whitman suggested that these acts “greatly increase the risk of collision or miscalculation” and “violated the requirement under international law to operate with due regard for the rights and safety of other lawful users of the ocean.” Whitman also underscored the legitimacy of the U.S. surveillance mission, stating that the *Impeccable* “was conducting routine operations in international waters” in a “location where we operate regularly,” and that China and other coastal states “do not have the right under international law to regulate foreign military activities” in their exclusive economic zones. Finally, he noted that the United States expected China would “refrain from provocative activities” in the future.¹⁴

Later that day, a White House press secretary also answered a question about the *Impeccable* incident. He revealed that the Chinese defense attaché in Washington had already been summoned to the Pentagon in protest. Other official sources also leaked that U.S. embassy officials had made representations to the Ministry of Foreign Affairs in Beijing.¹⁵ After leaving office, the National Security Council’s senior director for Asia at the time, Evan Medeiros, stated that “it was unclear at that time if [these actions] were a deliberate effort by Hu Jintao to test U.S. resolve.” Despite this uncertainty, the White House believed “there is sufficient agency there that in order for them to stop, you have to send a very clear signal.”¹⁶

Chinese officials responded to these accusations by issuing blanket denials of the U.S. version of events and focusing instead on Beijing’s view that the U.S. operation was illegal under international law as well as Chinese domestic law. At a regular press conference on March 10, foreign ministry spokesperson Ma Zhaoxu was asked about the Defense Department’s charge that Chinese ships had sailed dangerously close to, surrounded, and thrown debris in the path of the *Impeccable*. Ma neglected to answer any of these specifics and instead claimed that the U.S. charges were “flatly inaccurate and unacceptable to China.” The foreign ministry went on to argue that by “engaging in activities in China’s exclusive economic zone in the South China Sea without China’s permission,” the United States had violated the UN Convention on the Law of the Sea as well as China’s 1998 Law on the Exclusive Economic Zone and the Continental Shelf and its 1996 Provisions on the Administration of Foreign-Related Marine Scientific Research. Ma also disclosed that Beijing had lodged a diplomatic protest with Washington and urged the United States “to take effective measures to prevent similar incidents in the future.” Ma refused to explain why China had sent paramilitary and civilian vessels for the mission instead of regular PLA Navy ships. He also did not explain

14. “Raw Data,” *Fox News*.

15. White House, “Briefing by White House Press Secretary Robert Gibbs, 3/9/09” (press conference, White House, Washington, DC, March 9, 2009); Garamone, “Chinese Vessels Shadow, Harass Unarmed U.S. Survey Ship.”

16. Evan Medeiros, “Obama’s Legacy in Asia: A Conversation with Evan Medeiros,” interview by Bonnie Glaser, *ChinaPower* Podcast, September 29, 2016.

which articles of international law the *Impeccable* had broken, whether China's actions were in response to reports about an imminent U.S. arms sale to Taiwan, or whether the incident would affect recently resumed Sino-American military-to-military dialogues.¹⁷

The same day, the political commissar of the PLA Navy Armament Department, Wang Dengping, also commented on the confrontation from the sidelines of the annual meeting of the National People's Congress and the National Committee of the People's Political Consultative Conference. He defended China's behavior toward the *Impeccable*, saying, "it is our sovereignty for Chinese vessels to conduct activities in the country's special economic zone, and such activities are justified." Unlike the foreign ministry spokesperson, Wang explained the specific legal principle Beijing accused the U.S. military of violating when he noted, "Innocent passage by naval vessels from other countries in the territorial waters in the special economic zone is acceptable, but not allowed otherwise." Wang appears to have been arguing that although U.S. military vessels have the right to "innocent passage" in China's exclusive economic zone, under international law they do not enjoy the right to conduct other activities like surveillance.¹⁸ A week later it was revealed that China had dispatched its largest fisheries patrol vessel to the Paracel Islands not far from where the *Impeccable* was operating. Its official mission was to "safeguard the country's maritime rights and enhance fishery protection in the exclusive economic zones in the South China Sea," but state media also implied it was related to the earlier harassment incident.¹⁹

In testimony before the Senate Armed Services Committee, Director of National Intelligence Admiral Dennis Blair remarked that China appears "to be more military aggressive, forward pushing, than we saw previously." He linked the harassment of the *Impeccable* to a broader pattern of provocative behavior by the PLA Navy and other authorities in China's exclusive economic zone. Blair said this confrontation was the "most serious" military-to-military encounter since the 2001 EP-3 incident. Yet, he also noted that the PLA Navy was cooperating with the United States and others in the Gulf of Aden on anti-piracy patrols.²⁰ U.S. Pacific Command said the United States was unsure of "Chinese intentions" in this incident.²¹

On March 11, China sent a signal of resolve mixed with a desire to avoid derailing Sino-American relations. The state-owned *China Daily* ran a highly critical article with quotes from several current and retired PLA Navy flag officers. The former PLA Navy vice commander, Vice Admiral Jin Mao, said the United States was "like a man with a criminal record wandering just outside the gate of a family home." Likewise, retired PLA Navy South Sea Fleet deputy chief of staff Rear Admiral Lin Yongqing affirmed that Chinese ships had done "nothing wrong" by "exercising their legal rights." The PLA Navy

17. Ma Zhaoxu, "Foreign Ministry Spokesperson Ma Zhaoxu's Regular Press Conference on March 10, 2009" (press conference, Ministry of Foreign Affairs, Beijing, March 10, 2009); "China Says U.S. Naval Ship Breaks Int'l, Chinese Law," Xinhua, March 10, 2009.

18. "Navy Lawmaker: Violation of China's Sovereignty Not Allowed," Xinhua, March 10, 2009.

19. Lan Tian, "Fishery Patrol Ship Sent to Protect Interests," *China Daily*, March 16, 2009.

20. *Current and Future Worldwide Threats to the National Security of the United States: Hearing before the Senate Committee on Armed Services, 111th Cong., 1st sess. (2009)* (statement of Admiral Dennis Blair, Director, National Intelligence).

21. Thom Shanker and Mark Mazzetti, "China and U.S. Clash on Naval Fracas," *New York Times*, March 10, 2009.

deputy chief of staff, Rear Admiral Zhang Deshun, claimed that this time the *Impeccable* had come “too close” to the coast compared to previous missions, thus justifying a firmer Chinese response. The deputy commander of the East Sea Fleet, Rear Admiral Zhang Huachen, also registered Beijing’s “strong” disapproval.²² In a press conference, a Ministry of National Defense spokesperson indicated that Beijing considered the mission to be “justified and lawful” as “normal activities of law enforcement of its own exclusive economic zone to defend its rights and interests.” The defense ministry also urged the United States to respect China’s “legal interests and security concern[s].”²³

Chinese president Hu Jintao called on the PLA to “staunchly defend national sovereignty, security, and territorial integrity” and speed up the “modernization of national defense.” Western media interpreted this as a threat to the United States. However, Hu did not specifically refer to the *Impeccable* or any other incident, and Rear Admiral Zhang Deshun told state media that the “incident . . . is not going to deter everything” in the U.S.-China relationship, stressing that the United States was still invited to attend a PLA Navy parade in April.²⁴

U.S. secretary of state Hillary Clinton and Chinese foreign minister Yang Jiechi then met in Washington on March 11 for previously scheduled talks. The official reason for the visit was to lay the groundwork for the first meeting between President Hu and President Barack Obama at the London G20 summit in April. In her press conference following the dialogue, Secretary Clinton said she had “raised our concerns” about the *Impeccable* incident and both sides had agreed they “should work to ensure that such incidents do not happen again in the future.” When asked by a reporter whether the United States “was in the right,” Clinton said only that the two sides had exchanged their respective positions. She also emphasized her “appreciation” for the purported agreement to avoid future incidents.²⁵

Commenting on the Clinton-Yang meeting, the Chinese foreign ministry later said that Minister Yang had reached a “consensus” with Secretary Clinton on many issues of common concern. A spokesperson also mentioned that Yang had “expounded on China’s principled position and concern” that the U.S. ship was “engaging in illegal activities.” Unlike Secretary Clinton, however, China’s spokesperson laid responsibility for avoiding future confrontations solely on Washington’s shoulders.²⁶ The U.S. Department of Defense commented later that day that these face-to-face dialogues were useful to convey the seriousness of the United States’ concern. A spokesperson again emphasized the U.S. stance that “what that naval ship was doing in those international waters is not only fully consistent with international law, it is common practice.”²⁷ An unnamed State Department official privately told reporters that Clinton had likewise “forcefully” and with “no compromise” presented the U.S. position. Yet in contrast to the Defense Department, this source

22. Cui Xiaohuo and Zhang Haizhou, “Top Military Officers Lash Out at U.S. Espionage,” *China Daily*, March 11, 2009.

23. “Defense Ministry Urges U.S. to Respect China’s Security Concern,” Xinhua, March 11, 2009.

24. “China’s Hu Urges Staunch Defense Days after U.S. Spat,” Reuters, March 12, 2009.

25. Hillary Clinton, “Remarks after Her Meeting with Chinese Foreign Minister Yang Jiechi” (press conference, Treaty Room, State Department, Washington, DC, March 11, 2009).

26. Ma, “Foreign Ministry Spokesperson Ma Zhaoxu’s Regular Press Conference on March 13, 2009.”

27. Geoff Morrell, “Department of Defense News Briefing with Geoff Morrell from the Pentagon” (press conference, Department of Defense, Arlington, VA, March 11, 2009).

also suggested that Clinton and others in the administration “might be willing” to dial back close-in surveillance operations to improve Washington’s relationship with Beijing.²⁸

On March 12, Foreign Minister Yang met with National Security Adviser General James Jones and President Obama at the White House. The U.S. readout of the meeting said General Jones had raised the *Impeccable* incident with Yang and that President Obama had emphasized “the importance of raising the level and frequency of U.S.-China military-to-military dialogue in order to avoid future incidents.” Speaking ahead of this meeting, White House spokesperson Robert Gibbs guaranteed the incident would be “on the list for discussion” but would not “overshadow” the meeting. Indeed, the subsequent press release left the impression that President Obama was focused on “the overall state” of the bilateral relationship and “other important global issues,” not the *Impeccable* incident.²⁹

Phase IV: U.S. Destroyer Escorts Impeccable Back to the Area

The same day, an anonymous Pentagon official told reporters that the Defense Department had assigned an *Arleigh Burke*-class guided missile destroyer, the *USS Chung-Hoon*, to “keep an eye on” the *Impeccable* as it continued “its lawful military operations.” According to U.S. officials, the *Chung-Hoon* was diverted from another mission in order to escort the *Impeccable* but not “specially deployed” for the occasion.³⁰

On March 15, a Taiwanese newspaper reported that unnamed PLA officers considered the deployment of a U.S. destroyer to be “an inappropriate reaction” and were “watching developments closely.”³¹ In a March 18 press conference, Secretary of Defense Robert Gates was asked about the *Impeccable* incident and the U.S. response. He said he did not believe China was “trying to push the Seventh Fleet out of” China’s exclusive economic zone and that diplomatic exchanges since the confrontation gave him some confidence it would not be repeated. This made sending destroyers or other warships to escort U.S. surveillance ships as a matter of policy “unnecessary,” implying that Washington would consider such steps if Chinese behavior continued. Gates said he had not used the defense hotline to contact his Chinese counterpart over the *Impeccable* stand-off. The defense secretary expressed “concern” that this behavior could disrupt the trend of steadily improving military ties. He hoped the two countries “could put this [incident] behind” them.³²

28. Paul Richter and Julian E. Barnes, “Sea Encounter Prompts Vow by U.S., China,” *Los Angeles Times*, March 12, 2009.

29. “Obama to Raise Ships Incident with China,” Reuters, March 11, 2009; White House, “The President Meets with Chinese Foreign Minister Yang Jiechi,” press release, March 12, 2009; “Obama Calls for Improved Military Dialogue between U.S. and China, after Naval Confrontation,” Fox News, March 12, 2009.

30. In January 2009, the *Chung-Hoon* had departed her homeport of Naval Station Pearl Harbor for a regular deployment to the Western Pacific with the *USS Boxer* Expeditionary Strike Group. It arrived in Yokosuka, Japan on February 15 for an eight-day port call. “USS Chung-Hoon DDG 93,” USCarriers.net, accessed December 4, 2015; “Obama Calls for Improved Military Dialogue,” Fox News; Anil Dawar, “Naval Standoff Threatens U.S.-China Military Relations,” *Guardian*, March 13, 2009.

31. William Lowther, “U.S. Ups Ante in South China Sea by Sending Destroyer,” *Taipei Times*, March 15, 2009.

32. Robert Gates, “Defense Department Briefing” (press conference, Department of Defense, Arlington, VA, March 18, 2009); David Morgan, “Gates Plays Down Russia, China Threats,” Reuters, March 18, 2009.

Commander of U.S. Pacific Command Admiral Timothy Keating also testified on the U.S.-China military relationship before the Senate Armed Services Committee on March 19. He called the *Impeccable* standoff a “troubling indicator that China, particularly in the South China Sea, is behaving in an aggressive, troublesome manner and [is] not willing to abide by acceptable standards of behavior or ‘rules of the road.’”³³ Yet like Admiral Blair, Keating also took time to contrast these actions with positive PLA Navy contributions in anti-piracy efforts off the coast of Somalia.³⁴

Phase V: Chinese State Media Call an End to the Standoff

On March 20, *China Daily* published an unusual article announcing the tension over the *Impeccable* was over. According to the state-owned newspaper, unnamed Chinese defense sources had said the “Chinese military is ready to call an end to the standoff with the United States in the South China Sea after diplomatic efforts have reduced tensions.” Top PLA Navy commanders supposedly had “no plans” to counter the U.S. destroyer by increasing China’s own military presence. Instead, the article cited Chinese military analysts who stressed the need to move on to “more important issues” in the bilateral relationship.³⁵

This did not mean Beijing had changed its view on the legality of U.S. close-in surveillance. On March 24, the Chinese foreign ministry again called the U.S. version of events “sheer lies,” placed responsibility for preventing repeated confrontations on Washington, and reiterated “the resolve of the Chinese government to safeguard [its] territorial integrity and maritime rights and interests.”³⁶ When the two heads of state met in London on April 1, senior U.S. officials speaking on background said President Obama “referred to the episode” and achieved a “consensus” with President Hu on “managing possible differences and possible incidents” through stronger military relations and high-level dialogues.³⁷

This supposed consensus did not mark the end of Chinese attempts to confront U.S. ocean surveillance ships. A month later, on May 5, Chinese civilian fishing trawlers again harassed the USNS *Victorious* while it was conducting activities in the Yellow Sea. According to U.S. officials, two small Chinese-flagged fishing vessels repeatedly came “dangerously close” to the *Victorious* over the course of several hours. They once approached to within 100 feet and came to a sudden halt directly in front of the U.S. vessel. The presence of a heavy fog made these actions even more dangerous. The *Victorious* turned on its water hoses in self-defense, but it exercised restraint by not firing directly at the smaller fishing boats. The U.S. captain contacted a nearby Fisheries Law Enforcement Command vessel for assistance in managing the trawlers. The Chinese patrol ship

33. Donna Miles, “More Work Needed in Military Relationship with China, Admiral Says,” American Forces Press Service, March 19, 2009.

34. Glaser, “U.S.-China Relations,” 5.

35. Cui Xiaohuo, “Sino-U.S. Sea Standoff Appears to Have Ended,” *China Daily*, March 20, 2009.

36. Qin Gang, “Foreign Ministry Spokesperson Qin Gang’s Regular Press Conference on March 24, 2009” (press conference, Ministry of Foreign Affairs, Beijing, March 24, 2009).

37. White House, “Background Readout to the Travel Pool by Senior Administration Officials on President Obama’s Meeting with Chinese President Hu,” press release, April 1, 2009; White House, “Background Readout by Senior Administration Officials on President Obama’s Meeting with President Hu Jintao of China,” press release, April 1, 2009.

heeded the distress call. When it arrived, it shone a spotlight on the Chinese fishermen yet took no further action.³⁸

Conclusions

First, the dispute was rooted in different views of what does or should constitute international law and a zero-sum competition over U.S. reconnaissance near the Chinese mainland. Even without a dispute over the factual details of an incident, Washington and Beijing may therefore still disagree about its ultimate cause. Whereas the United States typically emphasizes the tactical causes of these types of disputes and the strict legality of U.S. operations in international waters, China tends to focus on the strategic level and the perceived security threat from U.S. close-in surveillance.

Second, the incident occurred shortly after President Barack Obama came into office and was clearly premeditated on China's part. Chinese actions required close cooperation between the PLA Navy, maritime law enforcement agencies, and civilian fishermen across China's entire maritime periphery. Just as the EP-3 incident occurred shortly after President George W. Bush took office, this incident may have been a deliberate test of the new U.S. administration's resolve to continue reconnaissance near the Chinese coast.

Third, although the PLA Navy and law enforcement agencies also participated in the harassment mission, civilian fishing trawlers operating like a maritime militia were responsible for the most serious harassment. This was also the case when China shadowed a U.S. freedom of navigation patrol near Subi Reef in October 2015. Chinese civilian fishermen also played a prominent role in the 2012 Scarborough Shoal standoff and the 2014 China-Vietnam oil rig standoff.

Fourth, Beijing de-escalated after Washington demonstrated its willingness to send armed naval escorts, potentially on a regular basis. However, Chinese vessels and aircraft still intermittently harass U.S. ocean surveillance ships operating near China's coast. Given the enduring U.S. interest in conducting military surveillance in international waters, and Beijing's apparent commitment to limit such activities, this irritant is likely to persist in the bilateral relationship. Past interactions suggest, however, that a serious conflict is unlikely to arise from this issue, unless Beijing decides to take a harder line against surveillance activities near its coast.

38. Starr, "Chinese Boats Harassed U.S. Ship, Officials Say."

CASE 2: SENKAKU ISLANDS TRAWLER COLLISION (2010)

Figure 3.4. Kita and Minami Islets



Source: National Land Image Information (Color Aerial Photography), Ministry of Land, Infrastructure and Transport of Japan.

Overview

On September 7, 2010, a Chinese fishing trawler collided with Japanese coast guard vessels in waters near the disputed Senkaku Islands. Unlike in past incidents, Tokyo decided to arrest the skipper and detain his crew, triggering a two-week diplomatic crisis. For the first time, Chinese law enforcement vessels conducted sustained patrols near the islands. Beijing suspended oil and gas negotiations with Tokyo. When Japan released the crew but extended the captain's detention, Beijing canceled other bilateral exchanges, and Chinese travel companies began to boycott Japan. China also significantly reduced its rare earth exports to Japan, which may or may not have been related to the islands dispute. In contrast, it also prevented Chinese activists from sailing to the Senkakus and tightly policed domestic protests. After initially urging the two sides to resolve the issue themselves, the United States reaffirmed its treaty commitments to Japan. Under pressure from both Tokyo and Washington, a Japanese prosecutor ultimately released the Chinese captain without charges on September 24.

BOX 3.2. Background on the East China Sea Dispute

The Senkaku Islands (also known as the Diaoyu Islands) are a disputed group of eight uninhabited islets and rocks in the East China Sea. Administered by Japan but claimed by both China and Taiwan, the islands are located approximately 200 nautical miles east of the Chinese mainland, 200 nm southwest of Okinawa Island in Japan, and 120 nm northeast of Taiwan. The Senkakus dispute touches upon not only sensitive issues of territorial sovereignty and historical legacies of imperial expansion, but also access to the East China Sea's rich maritime resources such as fisheries, oil, and natural gas and strategic space for the major military powers in the region (Figure 3.4).

Except for a period of U.S. military rule, Japan has controlled the Senkakus since 1895. Tokyo claims that surveys conducted at the time found no evidence of effective jurisdiction by any other state. On January 15, 1895, it formally annexed the islands as *terra nullius*, or "nobody's land," incorporating them into its newly acquired Okinawa Prefecture.¹ Alternatively, Beijing and Taipei both assert that China first discovered and established jurisdiction over the islands in the 15th century. They argue the Senkakus were actually part of Taiwan, which following China's defeat in the First Sino-Japanese War (1894–1895) was ceded to Japan in the Treaty of Shimonoseki along with "all islands appertaining or belonging" to the province. Just like Taiwan, Manchuria, and the Pescadore Islands, China claims that the Senkakus should have been returned to it after Japan's own defeat in the Second World War.² At the 1951 San Francisco Peace Conference, to which neither the Republic of China nor the People's Republic of China was invited, the Senkakus were instead effectively placed under the UN-sanctioned trusteeship of the United States as part of Japan's Ryukyu archipelago.³

The three claimants paid little attention to these islets for the next two decades of U.S. administration. The Senkakus dispute then erupted in 1969 with the publication of a report by the UN Economic Commission for Asia and the Far East, whose surveys of the East China Sea had found what "may be one of the most prolific oil reserves in the world." Between 1970 and 1971, first Taiwan, then Japan, and finally China declared claims to jurisdiction over the region's seabed as well as to the Senkaku Islands themselves.⁴ Soon afterward, the United States returned control of the Ryukyu chain to Japan under the terms of the 1971 Okinawa Reversion Agreement. Recognizing that the islands had been within Okinawa's jurisdiction since the start of the U.S. occupation, this agreement was clear that U.S. obligations under the 1960 Treaty of Cooperation and Security to help defend Japan against armed attacks "in the territories under the administration of Japan" now applied to the Senkakus.⁵ However, during U.S. Senate debates over the treaty's ratification, the U.S. State Department took a deliberate position of neutrality on Japan's "underlying claims" to sovereignty.⁶

Beijing and Tokyo came to an informal understanding when Chinese chairman Deng Xiaoping famously said in 1978 that the two sides should shelve the dispute and focus on joint resource development. Tokyo has at times, but not always explicitly, endorsed Deng's suggestion for a freeze on the status quo, in which China agreed not to challenge and Japan agreed not to strengthen its de facto administrative control over the islands. This did not mean Beijing had abandoned its claims. When Japanese conservatives called on Tokyo to demand China's recognition of Japanese sovereignty over the islands as a prerequisite to the signing of the 1978 Treaty of Peace and Friendship,

(continued)

BOX 3.2. (Continued)

Deng sent a flotilla of 80 to 100 lightly armed fishing vessels to the islands to assert Chinese sovereignty and mollify his own domestic hardliners.⁷

Between 1955 and 1975, the nongovernmental Japan-China Fisheries Council and the China Fisheries Association signed three fisheries agreements concerning the East China Sea, which were largely ratified in the official 1975 China-Japan Fisheries Agreement. It covered sea areas north of 27°N latitude, which is beyond the Senkaku Islands. The two parties unofficially agreed to refrain from interfering with the other's fishing activities south of these parameters. After their subsequent 1997 fisheries pact creating a provisional measures zone, Chinese and Japanese officials exchanged diplomatic notes explicitly agreeing not to apply their domestic fishery laws against each other's vessels in the sea areas around the Senkakus Islands.⁸

Some Japanese experts still argue that these agreements did not authorize Chinese and Taiwanese fishing in the territorial waters of the Senkakus, and the local Japan Coast Guard units in Okinawa Prefecture do not appear to have adhered to such an interpretation.⁹ When Taiwanese and Hong Kong fishing vessels entered the territorial waters of the Senkakus in 1996, 1997, and 2006, the Japan Coast Guard and its predecessor agency chased them away. In an important incident in March 2004, the coast guard disrupted Chinese nationalist activists seeking to land on one of the islets. The demonstrators were arrested initially, but local Japanese authorities quickly came under pressure from both Beijing and Tokyo and deported them almost immediately. Following this incident, China and Japan reportedly made a secret pact in 2004. Beijing promised to restrain its activists from traveling to the Senkakus and Tokyo said it would not arrest Chinese citizens there.¹⁰

In June 2008, China and Japan also reached an initial agreement to "undertake joint development in the northern part of the East China Sea and on the Chinese side of the median line" at the Chunxiao oil and gas field. These talks had grown out of a joint statement by Chinese president Hu Jintao and Japanese prime minister Yasuo Fukuda in May 2008, which included an economic clause pledging to make the East China Sea "a Sea of Peace, Cooperation, and Friendship."¹¹ The details were to be worked out in future negotiations. These talks were bound to be difficult because Beijing did not accept the median line Tokyo had drawn to delimit their overlapping exclusive economic zones, instead claiming a continental shelf extending all the way to the Okinawa Trough.¹² Chinese diplomats were immediately assaulted as "traitors" by domestic nationalists for giving implicit acceptance to Japan's proposed boundaries. Indeed, Tokyo had reportedly seen the 2008 agreement "as something of a coup." After two years of stalling, the Chinese side finally agreed in May 2010 to start formal talks. The second round of negotiations was scheduled for mid-September, which would be derailed by the dispute.¹³

1. Government of Japan, Ministry of Foreign Affairs (hereafter Japanese MOFA), *The Senkaku Islands: Seeking Maritime Peace Based on the Rule of Law, Not Force or Coercion* (Tokyo: MOFA, March 2014), 6.

2. People's Republic of China, State Council (hereafter PRC State Council), "Diaoyu Dao, an Inherent Territory of China," press release, September 25, 2012; "Treaty of Shimonoseki," signed at Shimonoseki, Japan, April 17, 1895, in *Treaties between China and Foreign States. Second Edition*, vol. 2 (Shanghai: by order of the Inspector General of Customs, 1917), 590–596.

3. China claims that because the 1951 peace treaty only ceded the Ryukyu Islands, not the Senkaku Islands explicitly, to U.S. trusteeship, the United States and then Japan have been administering them illegally ever since. Japanese MOFA, *Senkaku Islands*, 7; PRC State Council, "Diaoyu Dao, an Inherent Territory of China."

4. James Manicom, *Bridging Troubled Waters: China, Japan, and Maritime Order in the East China Sea* (Washington, DC: Georgetown University Press, 2014), 43.
5. United States, "Agreement between Japan and the United States of America concerning the Ryukyu Islands and the Daito Islands," June 17, 1971; United States, "Treaty of Mutual Cooperation and Security between Japan and the United States of America," January 19, 1960.
6. Mark E. Manyin, *Senkaku (Diaoyu/Diaoyutai) Islands Dispute: U.S. Treaty Obligations*, CRS Report R42761 (Washington, DC: Congressional Research Service, 2013), 4–5.
7. Manicom, *Bridging Troubled Waters*, 45–49.
8. *Ibid.*, 81.
9. Tanaka Sakai, "Rekindling China-Japan Conflict: The Senkaku/Diaoyutai Islands Clash," *Asia-Pacific Journal*, September 27, 2010.
10. For a compilation of Chinese activist incidents near the Senkakus between 1996 and 2012, see Yuki Tatsumi, "Senkaku Islands/East China Sea Disputes—A Japanese Perspective," in *Japan's Territorial Disputes: CNA Maritime Asia Project: Workshop Three*, ed. Michael A. McDevitt and Catherine K. Lea (Arlington, VA: Center for Naval Analyses, June 2013), 111–112.
11. Japanese MOFA, "Joint Statement between the Government of Japan and the Government of the People's Republic of China on Comprehensive Promotion of a 'Mutually Beneficial Relationship Based on Common Strategic Interests,'" press release, May 7, 2008; Japanese MOFA, "Japan-China Joint Press Statement: Cooperation between Japan and China in the East China Sea," press release, June 18, 2008.
12. Nicholas Szechenyi, "Platforms of Mistrust: Natural Resource Development in the East China Sea," Asia Maritime Transparency Initiative, August 5, 2015.
13. Mure Dickie, "End the Go-Slow on Gas in the East China Sea," *Financial Times*, July 1, 2009; Mure Dickie and Kathrin Hille, "Japan's Arrest of Captain Angers Beijing," *Financial Times*, September 8, 2010; "China Postpones East China Sea Negotiation with Japan after Boat Seizure," Xinhua, September 11, 2010.

Timeline

	China	Japan	United States
Phase I: Chinese trawler rams Japan Coast Guard			
Sep 7	Spike in fishing presence	Orders Chinese to leave	
	Drunk captain rams Japanese patrol ships	Pursues and boards vessel	
	Talks begin at ambassador/vice minister level		
Phase II: After Tokyo arrests captain, Beijing turns to coercion			
Sep 8	Prevents Chinese activists from sailing to islands	Ordered to arrest captain and detain crew	
Sep 9	Launches Senkaku patrols	Court approves detention	
Sep 10	Talks rise to foreign minister level		
Sep 11	Suspends East China Sea oil and gas negotiations		
Sep 12	Talks rise to Chinese state councilor level		
Phase III: Japan releases Chinese crew but not captain			
Sep 13–14	Cancels parliamentary exchange	Releases crew	Calls for bilateral resolution
Sep 17–18	Polices small protests	Threatens retaliation for unilateral Chinese drilling	
Sep 19	Suspends bilateral exchanges, tourist boycott	Court extends detainment	
Phase IV: High-level diplomacy as rare earth “embargo” reported			
Sep 21	Rejects Japanese proposal	Proposes high-level talks	
Sep 22–23	Rare earth ban reported		Reaffirms treaty, but asks Japan to release captain
Phase V: Japan releases Chinese captain			
Sep 24	More Senkaku patrols	Releases captain	
Oct 5	Leaders meet, but do not resume oil and gas talks		

Incident Details

Phase I: Chinese Trawler Rams Japan Coast Guard

On September 7, 2010, three Japan Coast Guard vessels arrived in the waters off the disputed Senkaku Islands. The 1,300-ton *Hateruma* and *Yonakuni* and the 180-ton *Mizuki* belonged to the 11th Regional Coast Guard Headquarters in Naha, Okinawa, which has jurisdiction for maintaining maritime order in the area as well as guarding the Senkakus' territorial waters.¹

Japanese authorities were responding to a spike in the presence of Chinese civilian trawlers. In recent years and months, Taiwanese and Chinese trawlers had been frequently operating in the area in search of undepleted fish stocks due to the rampant overfishing of Chinese coastal waters—first by Japanese trawlers in the 1960s and 1970s and then by Chinese fishermen themselves.² Earlier in 2010, the Japan Coast Guard had expelled around 10 Chinese fishing vessels from the area per month on average. In August, this figure suddenly jumped to almost 100 trawlers and it skyrocketed to 306 in September. The week of the collision, Japanese authorities reported the presence of 160 Chinese fishing vessels near the Senkakus, including roughly 30 in the territorial sea.³

Indeed, Chinese state media confirmed that there were hundreds of Chinese trawlers in the area at the time. They had departed the small harbor of Jinjiang, Quanzhou City in China's southeastern Fujian Province around September 1. An estimated 75 of the port's 350 trawlers made weekly voyages to the Senkakus, spending three total days in transit and four days fishing while remaining alert for Japanese patrol boats.⁴

On the morning of the September 7 incident, the three Japan Coast Guard ships used powerful spotlights and loudspeakers to order Chinese vessels within the Senkakus' territorial sea to leave. Most Chinese ships withdrew immediately.⁵ The 170-ton *Minjinyu* 5179 (闽晋渔5179号), however, refused to exit the area. At 9:28 am, the two larger Japanese patrol vessels closed in on the Chinese ship six nautical miles north of Kuba Island, which is the second largest feature in the Senkakus. They circled it at a close distance while repeatedly blaring an air horn. The *Yonakuni* hailed the *Minjinyu* 5179 with a Chinese-language recording saying it was operating illegally in Japanese territorial waters and demanding it leave the area. The fishing vessel ignored the warning until 9:55 am, when

1. *Hateruma*-class vessels are equipped with a 30-millimeter autocannon and a helipad. Japan Coast Guard, *Japan Coast Guard* (Tokyo: JCG, 2015).

2. James Manicom, "Growing Nationalism and Maritime Jurisdiction in the East China Sea," *China Brief* 10, no. 21 (2010); James Reilly, *Strong Society, Smart State: The Rise of Public Opinion in China's Japan Policy* (New York: Columbia University Press, 2011), 145–146; Manicom, *Bridging Troubled Waters*, 68.

3. Government of Japan, Ministry of Defense (hereafter Japanese MOD), "China's Recent Air and Maritime Activities in East China Sea" (slides, October 2010), 4; Sheila Smith, "Chinese Fishing Boat Sets Off Sino-Japanese Conflict," *Asia Unbound*, Council on Foreign Relations, September 13, 2010; Masami Ito, "Japan-China Island Tensions Rise," *Japan Times*, September 23, 2010.

4. Reiji Yoshida, "JCG Has Brush with Chinese Trawler," *Japan Times*, September 8, 2010; Wei Tian, "Arrest Brings Calamity to Trawler Captain's Family," *People's Daily*, September 13, 2010.

5. Wei, "Arrest Brings Calamity to Trawler Captain's Family."

it halted for several minutes before hauling in its trawling net and catch.⁶ As the Japan Coast Guard ordered it to prepare for boarding and inspection, at 10:15 am the *Minjinyu* 5179 suddenly steamed toward the much larger *Yonakuni* and deliberately rammed its port side. The impact broke through the stanchions around Japanese ship's stern helipad but did not injure any personnel.⁷

While the first Japanese cutter stalled in surprise, the Chinese trawler fled northwest and was chased by the *Hateruma*.⁸ A few miles and 40 minutes later, the *Hateruma* and *Mizuki* headed off the *Minjinyu* 5179 still within the Senkakus' territorial waters. This time, the *Mizuki* approached while the *Hateruma* observed a few hundred feet away. A second ramming incident occurred at 10:56 am, when the Chinese trawler again cut abruptly into the Japanese vessel. Its officers were unharmed, but the *Mizuki* sustained a dent and damage to its railing on the starboard side close to the stern.⁹ The Chinese trawler then fled several more miles until it finally halted at 12:56 pm just beyond Kuba Island's territorial sea, and 22 Japan Coast Guard personnel boarded the fishing boat for an inspection and seized its 15-man crew. They concluded that the ship did not carry any Chinese nationalist activists, just ordinary fishermen. An anonymous official in Tokyo later informed reporters the captain was drunk.¹⁰

Private communications between China and Japan began that evening at the vice minister level. Chinese vice foreign minister Song Tao summoned the Japanese ambassador to China, Uichiro Niwa. Meanwhile, the director-general of the Japanese Ministry of Foreign Affairs' Asian and Oceanic Affairs bureau, Akitaka Saiki, made a phone call to Chinese ambassador Cheng Yonghua. Each side lodged its respective protests. Vice Minister Song made "solemn representations" and urged Ambassador Niwa to stop Tokyo's "illegal" interception of Chinese fishermen. A spokesperson from the Chinese Ministry of Foreign Affairs voiced "grave concern" over Japan's "so-called law enforcement activities," which "threaten[ed] the security" of Chinese fishermen. The ministry also reiterated Chinese sovereignty over the disputed islands and warned of "further actions" by China.¹¹

6. "China Secret Ship Attacks Japan Coast Guard 1," *YouTube* video, posted by "moutontime," November 4, 2010; "China Secret Ship Attacks Japan Coast Guard 2," *YouTube* video, posted by "moutontime," November 4, 2010; "China Secret Ship Attacks Japan Coast Guard 3," *YouTube* video, posted by "moutontime," November 4, 2010; "China Secret Ship Attacks Japan Coast Guard 4," *YouTube* video, posted by "moutontime," November 4, 2010.

7. Video footage of the incident taken aboard the *Yonakuni* and later leaked by a Japan Coast Guard officer to the press verifies this account. Japanese MOFA, "Recent Developments in Japan-China Relations: Basic Facts on the Senkaku Islands and the Recent Incident" (slides, October 2010). 5; Reiji Yoshida, "JCG Has Brush with Chinese Trawler," *Japan Times*, September 8, 2010; "Japan, China Tensions Rising over Boat Collision," CBS News, September 7, 2010.

8. "China Secret Ship Attacks Japan Coast Guard 1"; "China Secret Ship Attacks Japan Coast Guard 2"; "China Secret Ship Attacks Japan Coast Guard 3"; "China Secret Ship Attacks Japan Coast Guard 4."

9. The video clearly shows the *Minjinyu* 5179 cutting abruptly and slamming into the *Mizuki*'s starboard side close to the stern. Japanese MOFA, "Recent Developments," 5; Yoshida, "JCG Has Brush with Chinese Trawler"; "Japan, China Tensions Rising over Boat Collision," CBS News; "China Secret Ship Attacks Japan Coast Guard 5," *YouTube* video, posted by "moutontime," November 4, 2010; "China Secret Ship Attacks Japan Coast Guard 6," *YouTube* video, posted by "moutontime," November 4, 2010.

10. Japanese MOFA, "Recent Developments," 5; Yoshida, "JCG Has Brush with Chinese Trawler"; "Getting Their Goat," *Economist*, September 16, 2010.

11. Japanese MOFA, "Major Exchanges between Japan and the People's Republic of China concerning the Collision Incident between Japan Coast Guard Patrol Vessels and a Chinese Fishing Trawler in Japanese Territorial Waters off the

Most Chinese criticism focused on Japan's "harassment" of Chinese fishing vessels and alleged violation of China's sovereignty over the Senkaku Islands. The tactical elements of the confrontation received far less attention, although Xinhua (China's main state news agency) did mischaracterize the clash as "two Japanese patrol boats collid[ing] with the Chinese fishing vessel" and quoted the detained boat's owner, Xu Tianzhu, as saying that the Japan Coast Guard "must have been chasing our boat and we must have been running away." A foreign ministry spokesperson later claimed that the *Minjinyu* 5179 "was chased and badly damaged by the Japanese vessels," but Chinese officials never denied that the trawler deliberately rammed the *Yonakuni* and *Mizuki*. When a Japan Coast Guard officer later leaked video footage of the incident to the press in November 2010, the Chinese foreign ministry emphasized that the root cause was Japan's "unlawfulness" in having "disturbed, driven away, intercepted, and surrounded the Chinese fishing boat."¹²

Phase II: After Tokyo Arrests Captain, Beijing Turns to Coercion

The Japan Coast Guard formally arrested the 41-year-old captain of the *Minjinyu* 5179, Zhan Qixiong, before dawn on September 8. The charge was "obstructing [the] public duties" of Japan Coast Guard personnel, which under Japanese law carries a maximum sentence of three years in prison and a fine of about \$6,000. According to media reports, Captain Zhan admitted only that there had been a collision, not that his vessel was responsible. Although Japan did not arrest the other 14 Chinese crewmembers, the coast guard ordered them to move the trawler to Ishigaki, conducted "voluntary" questioning on board, and forbade them from disembarking. Chief Cabinet Secretary Yoshito Sengoku told reporters that Tokyo would "handle the matter firmly in accordance with [the] law" without getting "overly excited." He expressed hope that the incident would not unduly disrupt relations between the two countries. Sengoku also stated that the 14 crewmembers were being treated as "witnesses," signaling they were not suspects themselves and would probably be released soon.¹³

By initiating legal proceedings against Captain Zhan, Japanese authorities were responding more forcefully than they had to past incidents. As mentioned previously, several Chinese activists had been detained after a 2004 landing over the islands, but the Cabinet Office quickly had them deported due to diplomatic considerations. In this September 2010 case, the minister of transport at the time, Seiji Maehara, immediately ordered the Japan Coast Guard to arrest the captain. The prime minister's office, however, was reportedly "hesitant." Maehara pressed Chief Cabinet Secretary Sengoku to "persist with a resolute attitude against China," and ultimately his order was not overturned.¹⁴ Speaking later, Maehara asserted that under the UN Convention on the Law of the

Senkaku Islands," press release, October 2010; "China Summons Japanese Ambassador on Boat Interception," Xinhua, September 7, 2010.

12. "China Protests Japan's Detention of Chinese Boat," Xinhua, September 9, 2010; "China Says Time Not Proper for Meeting between Premier Wen, Japanese Leader at UN Summit," Xinhua, September 21, 2010; "China Reiterates Video Cannot Conceal Japan's Illegal Actions near Diaoyu Islands," Xinhua, November 5, 2010.

13. Masami Ito, "Trawler's Collisions, JCG Arrest of Skipper near Senkakus Protested," *Japan Times*, September 8, 2010; Japanese MOFA, "Major Exchanges"; "Japan, China Tensions Rising over Boat Collision," CBS News; "China Protests Japan's Detention of Chinese Boat," Xinhua; Smith, "Chinese Fishing Boat Sets Off Sino-Japanese Conflict."

14. "Conditions Were Ripe for an Escalating Dispute with China," *Asahi Shimbun*, September 29, 2010; Peter Lee, "Japan Poured Oil on Troubled Waters," *Asia Times*, October 2, 2010.

Sea, Chinese ships could fish outside but not within the Senkakus' territorial waters.¹⁵ Most controversially, Maehara also stated before the Diet that Tokyo had never agreed to Deng Xiaoping's 1978 maxim to shelve the dispute. Although denied by several Japanese experts and retired diplomats, this soon became Japan's official government position on the islands.¹⁶

Chinese sources, on the other hand, have claimed that Beijing intended to respond "calmly" to the incident until Tokyo chose to treat it like a domestic legal matter. This supposedly forced China to take action or otherwise effectively acknowledge Japan's greater assertion of sovereignty.¹⁷ Reflecting the view of the White House at the time, Jeffrey Bader, the U.S. National Security Council senior director for Asian affairs, likewise criticized Japan in his memoirs for abandoning its "usual practice" and instead "treat[ing] the incident as a dangerous provocation."¹⁸

Chinese and Japanese diplomats held two more meetings on September 8 at the deputy or assistant minister level. At noon, Japanese ambassador Niwa was summoned to the Chinese foreign ministry for the second time in 24 hours, this time to meet with Assistant Foreign Minister Hu Zhengyue. Hu demanded Japan "immediately release" the ship and crew. Japanese deputy foreign minister Koro Bessho and Chinese ambassador Cheng also met that afternoon in Tokyo to exchange diplomatic protests. Ambassador Cheng held out the threat of "escalation" if the captain and boat were not freed at once. Meanwhile, the Chinese embassy dispatched personnel to Ishigaki to visit the detained fishermen.¹⁹

Public anger in China over Japan's treatment of the issue began rising the same day. Although they allowed some small demonstrations, for the most part Chinese officials restrained rather than encouraged citizen activists from organizing nationalist protests. Xinhua published a detailed account of China's sovereignty claims to the Senkaku group on September 8, yet the state-run *Global Times* also urged restraint by both sides and promised that "China did not encourage or instigate its people" to sail to the Senkakus.²⁰ In Beijing, 30 to 50 orderly protestors from the China Federation for Defending the Diaoyu Islands chanted the national anthem and waved flags and banners for about half an hour outside the Japanese embassy. A federation representative demanded Tokyo release the fishermen and offer an apology and compensation or else the group would organize a landing the next month. In Hong Kong, the head of a similar group stated that his organization would hire a fishing trawler in Taiwan that weekend to stage a similar protest on

15. Seiji Maehara is considered less friendly toward China than his predecessor, having called the growth of Chinese economic and military power "a realistic threat" as early as 2005. "Q&A: Japanese Foreign Minister Seiji Maehara on China, the Yen," *Wall Street Journal*, September 25, 2010; "Japan Minister's 2005 China Warning: A 'Threat,'" *Wall Street Journal*, September 21, 2010.

16. Manicom, *Bridging Troubled Waters*, 59.

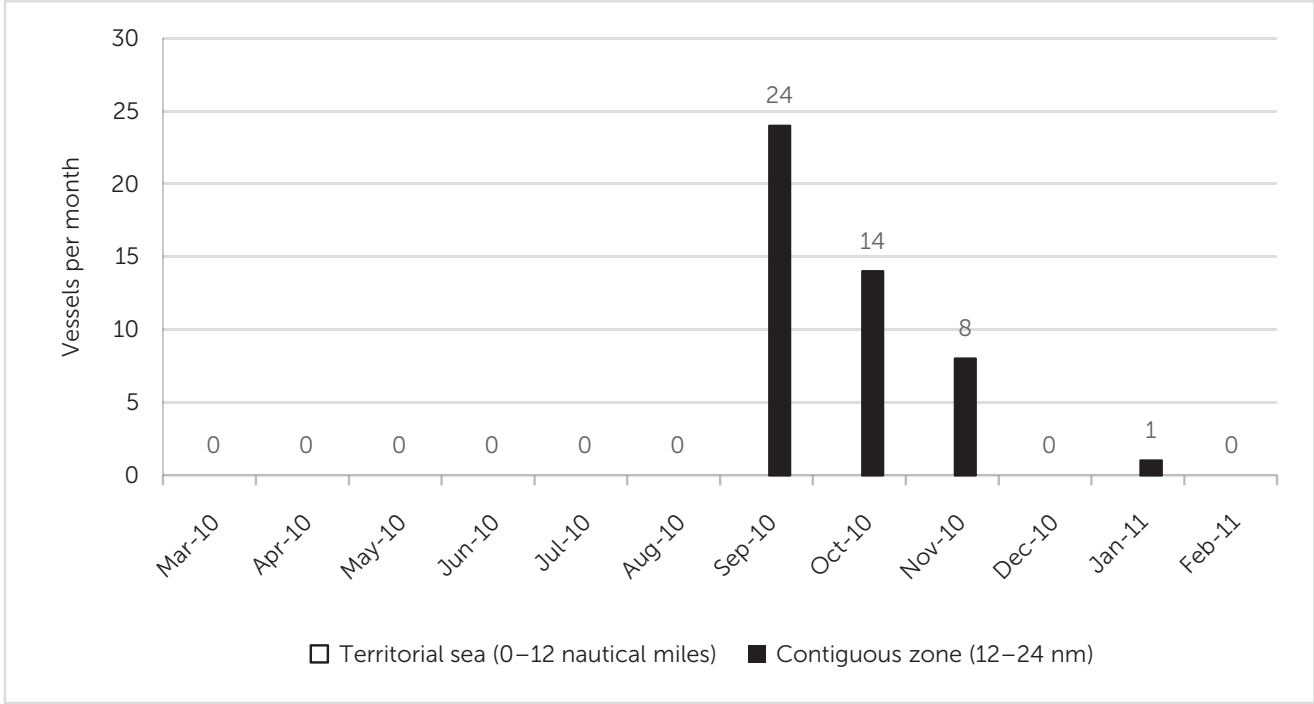
17. "Conditions Were Ripe for an Escalating Dispute with China." See also Lee, "Japan Poured Oil on Troubled Waters."

18. Jeffrey A. Bader, *Obama and China's Rise: An Insider's Account* (Washington, DC: Brookings Institution, 2013), 106.

19. Japanese MOFA, "Major Exchanges"; "Japan Arrests Chinese Captain near Diaoyu Islands despite China's Protest," Xinhua, September 8, 2010; Hou Lijun and Liang Linlin, "China Demands Japan Release Detained Fishing Boat, Guarantee Crew's Safety," Xinhua, September 8, 2010.

20. "Backgrounder: History Proves Diaoyu Islands Are China's Territory," Xinhua, September 8, 2010; Ian Johnson, "China and Japan Bristle over Disputed Chain of Islands," *New York Times*, September 8, 2010.

Figure 3.5. Chinese Maritime Law Enforcement Patrols Near the Senkakus (2010–11)



Source: Japanese MOFA, “Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan’s Response,” press release, October 2016.

the islands.²¹ Taiwanese immigration authorities “dissuaded” this Hong Kong group and a second one from Macau from hiring trawlers after they arrived in Taiwan. Another nationalist group in Xiamen of China’s Fujian Province also announced it would seek to sail to the Senkakus, but its rented ship never left port.²² Given Beijing’s commitments under the secret 2004 pact, Chinese authorities appear to have applied pressure to prevent these groups from sailing. The Hong Kong and Macau groups probably tried to rent protest ships in Taiwan because they knew they would be blocked on the mainland.

On the morning of September 9, Japanese officials transferred the Chinese captain to the Naha District Public Prosecutors Office. Reports said he could be released in just days if he confessed, though he never did. Shortly after, Japanese ambassador Niwa was summoned again to the Chinese foreign ministry for talks with the vice foreign minister, Wang Guangya. Meanwhile, a Chinese spokesperson stated that China’s Fisheries Law Enforcement Command had dispatched a vessel to waters near the Senkakus for the purpose of “maintaining fishing and protecting the lives and property of Chinese fishermen in the waters.” The foreign ministry also called Tokyo’s

21. Dickie and Hille, “Japan’s Arrest of Captain Angers Beijing”; Yoko Nishikawa and Ben Blanchard, “Beijing Protests as Japan Arrests China Boat Captain,” Reuters, September 8, 2010; “40 Chinese Protest near Japanese Embassy over Detention of Fishing Boat,” Xinhua, September 8, 2010.

22. “Convoy Escorts Tiaoyutai Protest Boat,” *China Post*, September 15, 2010; Manicom, “Growing Nationalism and Maritime Jurisdiction in the East China Sea.”

application of Japanese “domestic law” against *Minjinyu* 5179 “absurd, illegal, and invalid,” and threatened potential “escalation” in defense of China’s territorial integrity.²³

This Chinese coast guard vessel was the first of many that soon began entering the waters surrounding the Senkaku Islands. Prior to September 2010, the only recorded Chinese patrol of the Senkakus was in December 2008, when two Chinese vessels “hovered and drifted” inside the territorial sea for nine hours. In September 2010, however, Chinese ships began establishing a regular presence in the Senkakus’ contiguous zone (Figure 3.5). These patrols peaked in the weeks following the collision, gradually decreasing in frequency before trailing off in December. At least six Fisheries Law Enforcement Command vessels—the FLEC 118, 201, 202, 203, 204, and 310—are known to have participated in these patrols. This included voyages by three patrol ships from September 10 to September 17 and two patrol ships from September 24 to October 6, October 24 to 25, November 20 to 21, and November 28 to 29. Japanese and Chinese officials discussed the presence of these ships as the diplomatic standoff over the islands unfolded.²⁴

Diplomatic exchanges rose to the minister level on September 10. That morning, Japanese ambassador Niwa was summoned to the Chinese foreign ministry in Beijing for the fourth consecutive day, this time for talks with Foreign Minister Yang Jiechi. Yang reiterated Chinese demands for the release of the captain and crew, as well as China’s resolve on its sovereignty claims. In Ishigaki, a local court approved the detention of Captain Zhan Qixiong until September 19, when it would decide whether to indict him. Captain Zhan was transferred to Yaeyama police station that afternoon for long-term custody. Speaking in Tokyo, Foreign Minister Katsuya Okada said Japan was “only taking proper steps based on law.”²⁵

Before dawn on September 11, the Chinese Ministry of Foreign Affairs unilaterally declared the “postponement” of negotiations with Tokyo over natural resource development and exclusive economic zone delimitation in the East China Sea, scheduled for later the same month. The trawler collision incident proved too much for the preliminary agreement reached two years prior. That night, a ministry spokesperson stated explicitly that China’s decision to suspend the talks was “part of its response to the seizure of the Chinese fishing boat.” Chinese leaders may have been under pressure from domestic hardliners who would not stomach compromising with Tokyo on East China Sea issues during a separate, ongoing crisis. The foreign ministry expressed “strong discontent and grave protest” over Japan’s “reckless” actions and warned that Tokyo would “reap as it has sown.” A Japanese foreign ministry official called China’s suspension “regrettable” and said he did not know when or if the negotiations would resume. Chief Cabinet Secretary Sengoku

23. Japanese MOFA, “Major Exchanges”; Justin McCurry, “Japan-China Row Escalates over Fishing Boat Collision,” *Guardian*, September 9, 2010; “China Opposes Japan’s Handling of Chinese Fishing Boat,” Xinhua, September 9, 2010.

24. Japanese MOFA, “Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan’s Response,” press release, December 2015; Yasuhiro Matsuda, “Sino-Japanese Security Relations: Concerns, Competition, and Communication” (slides, U.S.-Japan Research Institute, March 27, 2012), 17; Yorke Koh, “No More Mr. Nice Guy,” *Wall Street Journal*, September 27, 2010.

25. Japanese MOFA, “Major Exchanges”; “Chinese Fishing Boat Captain Sent to Local Police Station in Okinawa,” Xinhua, September 10, 2010; “Chinese Fishing Boat Captain Brought to Local Court,” Xinhua, September 10, 2010; “Japan Sets Free Members of Chinese Fishing Crew,” *New York Times*, September 14, 2010; “China Orders Release of Boat Captain by Japan,” *New York Times*, September 11, 2010.

criticized Beijing for linking the two “totally separate issues” and swore to reschedule the negotiations in the “near future,” but this never occurred.²⁶ Later in June 2013, China began unilaterally building oil and gas platforms on its side of the median line.²⁷

Diplomatic negotiations over the fishing trawler then rose to even higher levels of government. After midnight on September 12, Ambassador Niwa met Chinese state councilor for foreign affairs Dai Bingguo for a fifth meeting at the Chinese foreign ministry. Dai repeated China’s demands and urged Tokyo to come to a “wise political resolution” with Beijing. Chief Cabinet Secretary Sengoku expressed annoyance at the late-night protest and said Tokyo would not release the captain under Chinese pressure.²⁸ Alternatively, a Japanese insider later claimed that Niwa was originally invited to meet Dai earlier that evening, but the parties were not able to find a mutually convenient time to meet until after midnight. Japanese foreign ministry officials allegedly misrepresented the facts to embarrass the ambassador (a businessman and China hand) as part of an ongoing power struggle.²⁹ That morning, Japanese officers also towed the *Minjinyu* 5179 back into the sea near Ishigaki to “reenact” the collision as part of the prosecution against Captain Zhan Qixiong. The Chinese foreign ministry voiced its opposition to this investigation, threatening further escalation.³⁰

Phase III: Japan Releases Chinese Crew but Not Captain

On the morning of September 13, Japanese authorities on Ishigaki released the 14 crewmembers of the *Minjinyu* 5179—all except the captain. Chinese embassy officials escorted them to a chartered Tianjin Airlines flight back to Fuzhou, China. After arriving at Changle International Airport, a crewmember thanked the Chinese Communist Party for their safe return and criticized Japan’s “illegal” harassment and detainment. Meanwhile, a new Chinese captain arrived at Ishigaki to pilot the trawler back to China, escorted by a Fisheries Law Enforcement Command vessel. In a press conference, the foreign ministry “strongly” demanded that Japan release the Chinese captain, who remained in detainment at a Japanese police station.³¹

Explaining this partial acquiescence to Chinese demands, the Japan Coast Guard stated that it had simply finished questioning the crew.³² Given the crew’s detention as witnesses, their release may indeed have been routine and expected, not a new diplomatic concession. Yet in any case, Beijing

26. Japanese MOFA, “Major Exchanges”; “China Postpones East China Sea Negotiation with Japan after Boat Seizure”; Manicom, “Growing Nationalism and Maritime Jurisdiction in the East China Sea”; Jason Dean, “Japan Frees Crew of Chinese Boat but Holds Captain,” *Wall Street Journal*, September 12, 2010; “Japan Sets Free Members of Chinese Fishing Crew,” *New York Times*.

27. Japanese MOD, “China’s Recent Air and Maritime Activities in East China Sea” (slides, 2014), 1.

28. Japanese MOFA, “Major Exchanges”; “China Urges Japan to Release Fisherman Immediately,” Xinhua, September 12, 2010; “Japan Sets Free Members of Chinese Fishing Crew,” *New York Times*.

29. Bjorn Jerden, “The Assertive China Narrative: Why It Is Wrong and How So Many Still Bought into It,” *Chinese Journal of International Politics* 7, no. 1 (2014): 57–58.

30. “China Firmly Opposes Japan’s Investigation of Detained Chinese Trawler,” Xinhua, September 12, 2010.

31. Japanese MOFA, “Major Exchanges”; Ma Jie and Wang Xiaopeng, “China Boat Crew Set Off for Home after Being Freed by Japan,” Xinhua, September 13, 2010; “Chinese Trawler Crew Seized by Japan Return Home on Chartered Flight,” Xinhua, September 13, 2010.

32. Jason Dean, “Japan Frees Crew of Chinese Boat but Holds Captain.”

next announced the cancelation of the Japan-China Parliamentary Exchange Commission's annual meeting, with the Chinese foreign ministry blaming Japan.³³ The same day, about 20 protestors demonstrated in front of Japan's consulate general in Hong Kong.³⁴

Japanese ambassador Niwa held his sixth dialogue with Chinese diplomats on September 14, meeting with Assistant Foreign Minister Liu Zhenmin that evening. In a press conference, the foreign ministry spokesperson called it "imperative" that Tokyo "immediately terminate" legal proceedings against Captain Zhan. There were also reports that day of Japanese elementary and junior high school students in the Chinese city of Tianjin being attacked with stones. A Chinese spokesperson expressed opposition to such "isolated radical activities" and hope that "the Chinese people will express their will in a rational way."³⁵

The United States officially commented on the swelling storm for the first time later that day. At a press conference, the U.S. assistant secretary of state for public affairs, Philip Crowley, sought to downplay the dispute and the necessity of U.S. involvement. When asked whether possible weakness in the U.S.-Japan alliance was encouraging China's assertive diplomacy, Crowley called the incident a "narrow issue."³⁶ Although he called the U.S.-Japan alliance "a cornerstone of security and stability across Asia," Crowley seemed to suggest that Washington wanted the confrontation resolved bilaterally—"peacefully through dialogue between China and Japan." He stated that the United States believed "this can be resolved by Japan and China" and had "not been asked to intercede in any way at this point."³⁷

The next day, on September 15, Taiwan also waded into the dispute for the first time. Its Coast Guard Administration coordinated a quasi-official protest mission with private Taiwanese activists. Using a rented fishing boat, the Diaoyutai Islands Protection Association of the Republic of China set out for the disputed islands from Yehliu Port in northern Taiwan. The trawler entered the Senkakus' contiguous zone in the early morning under the escort of 12 coast guard vessels. After being blocked by seven Japan Coast Guard vessels, the convoy came within 18.5 nautical miles of the Senkakus. The Japanese ships employed searchlights, signs, and broadcasts during this stand-off and, according to Taipei, came within feet of ramming the Taiwanese fishing boat several times. After five hours, the Taiwanese group finally departed, while some 100 protestors from fishing and other organizations also demonstrated in Taipei.³⁸

33. Japanese MOFA, "Recent Developments," 6; "China Demands Halt to Japan's So-Called 'Legal Procedures' against Captain: FM Spokeswoman," Xinhua, September 14, 2010.

34. "Hong Kong Groups Protest against Japan's Illegal Seizing of Chinese Trawler," Xinhua, September 13, 2010.

35. Japanese MOFA, "Major Exchanges"; "China Demands Halt to Japan's So-Called 'Legal Procedures' against Captain: FM Spokeswoman," Xinhua.

36. This worry had been fueled in part by unverified reports in August 2010 that the Obama administration had decided to stop explicitly stating that the Senkakus are subject to the U.S.-Japan security treaty. See "U.S. Fudges Senkaku Security Pact Status," *Japan Times*, August 17, 2010; U.S. Department of State, "Daily Press Briefing—August 16, 2010" (press conference, State Department, August 16, 2010).

37. U.S. State Department, "Daily Press Briefing—September 14, 2010" (press conference, State Department, September 14, 2010); Bill Gertz, "Inside the Ring," *Washington Times*, September 15, 2010.

38. "Convoy Escorts Tiaoyutai Protest Boat," *China Post*; "Japan's Actions over Diaoyu Islands Defy Facts, Draw Protests," Xinhua, September 21, 2010.

The deputy chief of the Taiwanese coast guard later stated that the purpose of these actions was to “reassert the nation’s sovereignty, safeguard the citizens, and protect fishing resources.” Taiwan’s Ministry of Foreign Affairs said the activists’ protest trip was “spontaneous.” Deputy Foreign Minister Shen Lyu-Hsun summoned Tokyo’s top diplomat in Taiwan, Tadashi Imai, to protest Japan’s alleged violation of Taiwan’s sovereignty over the disputed islands. The mainland welcomed these actions, with China’s Taiwan Affairs Office telling a press conference that “protecting sovereignty over the Diaoyu Islands is in the common interests of compatriots on both sides of the Taiwan Strait.” In response to this statement, Taiwan’s foreign ministry clarified that it was “not teaming up with China” over the issue.³⁹

On September 16, China again urged Japan to immediately release the detained captain. Although Beijing reiterated that China was taking steps “to protect the safety of foreign organizations and people in China, including those from Japan,” the Japanese embassy warned its citizens in a safety notice about the possibility of nationalistic violence.⁴⁰ Meanwhile, Transport Minister Maehara flew to Ishigaki to inspect Japan Coast Guard patrol boats involved in the standoff.⁴¹

The Japanese foreign ministry also warned Beijing against unilaterally developing oil and gas fields in the East China Sea. Since China’s suspension of negotiations with Japan one week earlier, Japanese leaders had begun worrying about reports of new equipment being shipped to a Chinese facility in the main Chunxiao field. This rig was in undisputed waters a few miles west of the Japan’s claimed median line, but in 2008 the two parties had reached a preliminary agreement on an investment role in the field for Japanese companies. Tokyo also feared the drilling could drain reserves from Japan’s side of the line. The outgoing foreign minister, Katsuya Okada, told reporters he believed China was restarting unilateral production. Another Japanese official connected these disputes to “more provocative and overconfident” Chinese maritime behavior in general in recent years.⁴²

However, the incoming foreign minister, Seiji Maehara, stated that no new drilling activity had been confirmed, and that Tokyo currently “accept[ed] the explanation that the equipment in the field is to be used for repairs.” Maehara said Japan would watch developments at the facility closely and pressed China to return to bilateral talks over the issue. Tokyo also reportedly threatened to take “countermeasures” if Beijing restarted drilling. This could have included Japan starting its own drilling operations in another disputed East China Sea gas field. In his first press conference as

39. Ibid.; “Protecting Sovereignty over Diaoyu Islands Accords with Fundamental Interests of Chinese Nation, Spokeswoman,” Xinhua, September 15, 2010.

40. “Detention of Trawler Captain ‘An Obstacle’ to Sino-Japanese Ties: FM Spokesperson,” Xinhua, September 16, 2010; “China Demands Japan Take Steps to Resolve Dispute over Territorial Waters,” *Telegraph*, September 16, 2010.

41. The same day, a Chinese giant panda on loan to a Japanese zoo died after receiving too much anesthetic. The event fueled conspiracy theories among Chinese internet users, who connected it to the territorial spat. China’s State Forestry Administration quickly sent an investigative team to ascertain the cause of death. “China Demands Japan Take Steps to Resolve Dispute over Territorial Waters,” *Telegraph*; James White, “Death of Giant Panda Loaned by China to Japanese Zoo Sparks New Diplomatic Row,” *Daily Mail*, September 16, 2010.

42. “Getting Their Goat,” *Economist*.

foreign minister, Maehara also took the opportunity to defend Japan's domestic legal action against the *Minjinyu 5179's* skipper and denied the existence of a territorial dispute over the islands.⁴³

In Beijing, Chinese state media maintained that the new Chunxiao materials were for "maintenance operations." A foreign ministry spokesperson neither confirmed nor denied the reports, but in either case asserted that whatever activities China decided to take "are completely reasonable and lawful." She also added that more China Marine Surveillance and Fisheries Law Enforcement Command vessels had been dispatched to the East China Sea to "safeguard China's rights and interests in Chinese waters, and enforce the law."⁴⁴ Despite concerns at the time, China did not restart oil and gas production or build new platforms until 2013, following Japan's nationalization of the Senkakus the previous year.⁴⁵

On September 18, dozens of Chinese protestors gathered outside the Japanese embassy in Beijing and consulates in Shanghai, Hong Kong, and Shenyang to observe the anniversary of the 1931 Manchurian Incident, which had served as a pretext for the Japanese invasion. Hundreds of uniformed police monitored and quickly dispersed these demonstrations. Chinese state censors also appear to have disabled the website of the China Federation for Defending the Diaoyu Islands and scrubbed messages about organizing the protests from online bulletin boards.⁴⁶

The next day, an Ishigaki summary court approved the prosecution's request to extend the detention of Zhan Qixiong by 10 days to September 29. Under Japanese law, suspects can be held for up to 20 days before a decision is reached on whether to pursue formal charges. Beijing's reaction was immediate. The Ministry of Foreign Affairs stated that Japan had "severely hurt" its relations with China and promised "strong countermeasures" if Tokyo refused to release Captain Zhan unconditionally. Beijing then suspended bilateral exchanges between Chinese and Japanese officials up to the ministerial and provincial levels, called off talks on increasing civil airline flights and expanding aviation rights, postponed a Sino-Japanese meeting on coal cooperation, and canceled a state-sponsored visit of 1,000 Japanese youths to Expo 2010 Shanghai China scheduled for September 21. In total, at least 20 Sino-Japanese political, economic, and culture exchange activities were ultimately canceled. Chinese municipalities also called off regional bilateral programs with some 300 Japanese sister-cities. Some local Japanese officials likewise suspended visits to China in response, and a popular Japanese music group postponed a concert in Shanghai. The outspoken governor of Tokyo, Shintaro Ishihara, publicly announced he would no longer attend a global mayors' forum in Beijing in October.⁴⁷

43. "China Defends Gas Activities in Japan Sea Dispute," Reuters, September 17, 2010; "Japan Says Eyeing China Moves at Disputed Gas Field," Reuters, September 17, 2010; Manicom, "Growing Nationalism and Maritime Jurisdiction in the East China Sea"; "China Breaks Up Anti-Japanese Protests," *Al Jazeera*, September 18, 2010; Tania Branigan, "China Cuts Japan Contacts over Detained Trawler Captain," *Guardian*, September 19, 2010; Martin Fackler and Ian Johnson, "Arrest in Disputed Seas Riles China and Japan," *New York Times*, September 19, 2010.

44. "China Enhances Maritime Law Enforcement," Xinhua, September 17, 2010.

45. Japanese MOD, "China's Recent Air and Maritime Activities in East China Sea" (2014), 1.

46. Manicom, "Growing Nationalism and Maritime Jurisdiction in the East China Sea"; "Japan's Actions over Diaoyu Islands Defy Facts, Draw Protests," Xinhua; "China Breaks Up Anti-Japanese Protests," *Al Jazeera*.

47. Branigan, "China Cuts Japan Contacts over Detained Trawler Captain"; "China Says Relations with Japan 'Severely Hurt,' Will Take Counter Measures If Japan Insists Mistakes," Xinhua, September 19, 2010; Japanese MOFA, "Major Exchanges"; "Japan Extends Detention of Chinese Skipper to Sept. 29," Xinhua, September 19, 2010; "Various

China made clear that tourism to Japan would decrease, with Xinhua reporting that Chinese tourism to Japan had “already declined.” State media also quoted the Ministry of Foreign Affairs as stating that “Chinese visitors to Japan will also scale down.” Beijing did not introduce an official travel ban nor explicitly claim responsibility for boycott actions by private citizens and companies. Zhang Wei, director of the Outbound Travel Department at the China International Travel Service, said travel to Japan had plunged “drastically” but did not offer a specific figure. In one case, a Beijing-based health food and skincare company canceled a group tour to Japan for 10,000 of its employees. The company explained, “We’re closely watching the development of the issue and the measures the Chinese government takes.” In one Xinhua article, several experts were quoted arguing that these boycotting actions were largely spontaneous patriotic reactions to the worsening territorial dispute. They also warned of further “follow-up” economic countermeasures if Japan’s legal proceedings continued.⁴⁸

That night, Vice Foreign Minister Wang Guangya telephoned Ambassador Niwa to once again protest the captain’s detention. In Tokyo, Noriyuki Shikata, a spokesperson for the office of Prime Minister Naoto Kan, called on both sides to “respond calmly without becoming emotional.” He also stated that China had not officially informed Japan of its decision to break off high-level contacts, saying such a choice was “regrettable.” Shikata stressed the ongoing investigation against the captain was “legally, not politically, motivated.” Meanwhile, *Global Times* called on Beijing to “have a set of plans in place to further sanction Japan, fighting a diplomatic battle with Japan of successive retaliation.” A leading Japanese newspaper likewise ran an editorial demanding Tokyo not “roll over” under Chinese pressure.⁴⁹

On September 20, a Tokyo-based construction company named the Fujita Corporation lost contact with one Chinese and four Japanese employees in northeastern China. According to a Fujita representative, the five had arrived in Shijiazhuang, Hebei Province to inspect a potential construction site for a plant to process Japanese chemical weapons left over from World War II. The group was scheduled to stay at Shijiazhuang for one or two days, but the company received a text message simply reading “Help” or “Help me” in Chinese. Several days later it came to light that Chinese authorities had detained the employees for allegedly entering a military zone without permission and videotaping military facilities. The Japanese chief cabinet secretary Sengoku told reporters that Chinese officials had been in touch and Tokyo was still “confirming [the] details.” Although the Japanese government did not publicly suspect “a link to the Senkaku issue,” Fujita managing executive officer Tatsuro Tsuchiya said “it would be very regrettable” if the detention turned out to

Japan-China Exchange Activities Canceled,” Associated Press, September 23, 2010; “China Rejects Fence-Mending Meeting with Japan,” *Space Daily*, September 21, 2010.

48. Fackler and Johnson, “Arrest in Disputed Seas Riles China and Japan”; “Japan Extends Detention of Chinese Skipper to Sept. 29,” Xinhua; “China Says Relations with Japan ‘Severely Hurt,’” Xinhua; “Public Outrage Flares up Again over Japan’s Extended Detention of Chinese Trawler Captain,” Xinhua, September 20, 2010; “Illegal Detention of Chinese Trawler’s Captain Harms Chinese Public’s Trust in Japan,” Xinhua, September 20, 2010.

49. Japanese MOFA, “Major Exchanges”; Branigan, “China Cuts Japan Contacts over Detained Trawler Captain”; Justin McCurry and Tania Branigan, “Japan Not Told of Chinese Decision to Cut Ties,” *Guardian*, September 20, 2010; Justin McCurry, “China-Japan Relations Sour as Fishing Boat Dispute Escalates,” *Christian Science Monitor*, September 20, 2010.

be “a retaliation against the Senkaku issue.” He defended his employees’ actions, saying that if they “knew about the area being off-limits, or the regulation that prohibited cameras in the location, they would not have taken such action.”⁵⁰

Western newspapers ran headlines linking the arrest to the island dispute, and a later account by a senior U.S. official characterized it as “an apparently retaliatory move” by China.⁵¹ Foreign Minister Maehara later summoned Ambassador Cheng to urge the Chinese side to “resolve the case promptly.”⁵² The deputy secretary-general of the Democratic Party of Japan, Hosono Goshi, later secretly visited Beijing to ask for their extradition. China released all but one of the Japanese employees at the end of September after they admitted to and expressed regret for illegally entering a Chinese military zone. In footage confiscated from the employees, the voice of their Chinese interpreter is heard reading a sign bearing the message “restricted military zone.” Investigations continued against the fourth Japanese employee, who was released on October 9 on bail. In a press conference after his release, that employee claimed he “did not notice” the sign or the interpreter’s counsel. He guessed that he was held in custody longer than the other employees because he “was the one videotaping.” Despite concerns in Japan and elsewhere, there is no evidence of a connection between these arrests and the concurrent diplomatic crisis. Notably, it does not appear alongside other Chinese countermeasures in the Japanese foreign ministry’s official timeline and summary of the collision incident.⁵³

On September 20, U.S. vice president Joe Biden signaled that the United States would begin backing Japan through limited private and public diplomacy. Speaking at a Japanese-American nongovernmental organization conference, Vice President Biden made oblique but unmistakable references to the territorial spat and the U.S.-Japan security relationship. Biden declared that U.S. policy in Asia “has to go through Tokyo” and that any improvement of Sino-American ties was contingent on the interests of the alliance.⁵⁴

50. Sachiko Sakamaki, “Four Japanese Held in China as Boat Tensions Escalate,” *Bloomberg Business*, September 23, 2010; Minoru Matsutani and Kanako Takahara, “Four Fujita Employees Held in Hebei Province,” *Japan Times*, September 25, 2010; Kyunh Lah, “China Arrested 4 Japanese against Backdrop of Diplomatic Battle,” CNN, September 24, 2010; Emma Chanlett-Avery, William H. Cooper, and Mark E. Manyin, *Japan-U.S. Relations: Issues for Congress*, CRS Report RL33436 (Washington, DC: Congressional Research Service, 2010), 4.

51. Jeffrey Bader took this view in his memoirs as well. Bader, *Obama and China’s Rise*, 107.

52. Japanese MOFA, “Mr. Seiji Maehara, Minister for Foreign Affairs of Japan, Lodges Representations to Mr. Cheng Yonghua, Chinese Ambassador to Japan, concerning the Detention of Japanese Nationals in Shijiazhuang, Hebei Province,” press release, September 27, 2010; “China: 3 Japanese Nationals Released,” CNN, September 30, 2010; Chris Buckley, “China Releases 3 Japanese but Isle Dispute Lingers,” Reuters, September 30, 2010; Linus Hagstrom, “‘Power Shift’ in East Asia?: A Critical Reappraisal of Narrative on the Diaoyu/Senkaku Islands Incident,” *Chinese Journal of International Politics* 5 (2012): 281; Sheila Smith, *Intimate Rivals: Japanese Domestic Politics and a Rising China* (New York: Columbia University Press, 2015), 203.

53. Japanese MOFA, “Major Exchanges”; Japanese MOFA, “Recent Developments,” 6.

54. Joseph Biden, “U.S.-Japan Council Keynote Speaker Vice President Joe Biden” (speech, U.S.-Japan Council Inaugural Annual Conference, Washington, DC, September 20, 2010).

The next day, Chief Cabinet Secretary Sengoku proposed “high level” talks between Japanese prime minister Naoto Kan and Chinese premier Wen Jiabao at the UN Summit taking place in New York. Sengoku stated that Tokyo might be willing to take a “broader view” toward Zhan Qixiong’s legal proceedings for the sake of its overall relationship with Beijing. Prime Minister Kan likewise signaled that if the incident “is dealt with calmly, it is entirely possible this will be a temporary problem.” Foreign Minister Maehara also declared his willingness to explain Japan’s response to the collision to his Chinese counterpart. In the meantime, however, the investigation against the trawler captain would continue, and the chief cabinet secretary pressed China to “not stir up narrow-minded, extreme nationalism.”⁵⁵

Chinese officials, however, rejected Tokyo’s proposal. At a press conference, a foreign ministry spokesperson said that “the time is not proper” for a leaders’ summit between the two sides. Noting that in “the current atmosphere . . . a meeting clearly would be inappropriate,” the ministry reiterated China’s demands for the unconditional release of Captain Zhan and expressed concern about media reports of threats against Chinese schools in Japan.⁵⁶ Separately, Premier Wen criticized Japanese actions in a meeting with Chinese nationals and Chinese Americans in New York. The Chinese premier personally called for the release of the *Minjinyu* 5179’s skipper. Wen maintained that China’s “necessary countermeasures” were fully justified in light of Japan’s recalcitrance and warned of “further actions” if Tokyo continued to refuse to free Zhan. Premier Wen referred to the islands as “sacred territory”—perhaps the first time since the early 1970s that Chinese authorities had used the term.⁵⁷

On September 22, members of the Hong Kong Action Committee for Defending the Diaoyu Islands set sail for the East China Sea. Before the activists could leave the harbor, however, two police boats surrounded their vessel and prevented its departure. A Marine Department spokesperson cited “technical reasons” for ending the voyage, such as the fact that they had rented a fishing boat not licensed to leave Hong Kong waters. The Action Committee told reporters that the activists had expected to be stopped and welcomed a confrontation that would showcase the government’s lack of resolve on sovereignty issues and restrictions on free speech.⁵⁸ They soon tried to sail a second time but were stopped once again.⁵⁹

55. Sakamaki, “Four Japanese Held in China as Boat Tensions Escalate”; Tania Branigan and Justin McCurry, “China Prime Minister Demands Captain’s Release,” *Guardian*, September 22, 2010.

56. “China Says Time Not Proper for Meeting between Premier Wen, Japanese Leader at UN Summit,” Xinhua, September 21, 2010; Chisa Fujioka and Chris Buckley, “China Snubs Japan PM over Boat Row,” Reuters, September 21, 2010.

57. “Chinese Premier Urges Japan to Release Chinese Skipper Immediately, Unconditionally,” Xinhua, September 22, 2010; Branigan and McCurry, “China Prime Minister Demands Captain’s Release”; Alastair Iain Johnston, “How New and Assertive Is China’s New Assertiveness?,” *International Security* 37, no. 4 (Spring 2013): 23.

58. Cathy Yan, “Hong Kong Activists Fan China-Japan Flames,” *Wall Street Journal*, September 22, 2010.

59. “Defying Ban, Hong Kong Protestors to Try Again to Sail to Senkaku Isles,” *Japan Times*, September 24, 2010; Willy Lam, “Is China Afraid of Its Own People?,” *Foreign Policy*, September 28, 2010.

Phase IV: High-Level Diplomacy as Rare Earth “Embargo” Reported

On September 23, U.S. officials met separately with Japanese and Chinese counterparts on the sidelines of the UN General Assembly. Senior Director Bader later commented that the U.S. side felt it faced “a complex dilemma” in deciding how to respond to the territorial spat. On the one hand, the 1960 Mutual Security Treaty clearly covered the Senkakus and “Washington wanted to show solidarity with its ally Japan in the face of [Chinese] bullying.” On the other hand, the United States was neutral on the underlying sovereignty dispute, and the White House believed “Japan’s handling of the incident seemed maladroit”—a reference to Japan’s arrest and proceeding against the trawler captain. The decision to treat the incident “as a law enforcement issue within its jurisdiction, not a diplomatic incident,” Bader argued, had unnecessarily triggered China’s “sharp” reaction. Bader also placed significant liability for the escalation of the conflict on “angry publics,” whose “nationalist passions” threatened to draw Japan and China into “further provocations.” He found “absurd” the idea that Japan might draw the United States into armed conflict over some “rocky islets.” As a result of this ambivalence, “the administration hoped for a rapid de-escalation.”⁶⁰

Bader as well as Kurt Campbell, the assistant secretary of state for East Asia and the Pacific, held talks with Chinese and Japanese officials “to explore modalities to resolve the situation.”⁶¹ Secretary Clinton then met for two hours with Japanese foreign minister Maehara.⁶² According to Maehara, Clinton told him “unequivocally” that Article V of the security treaty applied to the disputed islands.⁶³ The foreign minister was “grateful and encouraged” by this guarantee.⁶⁴ Following this offer of support, Maehara then told Clinton that Japanese authorities had decided to release the captain. He assured Clinton that Prime Minister Kan would deliver this news personally to President Obama when the two met later that day.⁶⁵

Speaking about this meeting, Assistant Secretary Crowley downplayed any U.S. intervention in the dispute. He said Minister Maehara had “provided Japan’s perspective on the incident” and that Clinton’s reaction “was simply to encourage dialogue.” Crowley stated that Washington had not been asked to and was not “mediating” between Japan and China—“two mature countries . . . fully capable of resolving” the issue bilaterally. Crowley refused to answer whether the United States approved of Japan’s approach to the incident, saying Clinton “just took note of [Japan’s] position.”⁶⁶ In a press conference later that day, Defense Secretary Robert Gates and Chairman of the Joint Chiefs of Staff Admiral Michael Mullen also reaffirmed the applicability of Article V. Mullen

60. Bader, *Obama and China’s Rise*, 106–108.

61. *Ibid.*, 107.

62. White House, “Press Briefing by Press Secretary Robert Gibbs, Special Assistant to the President and Senior Director for Asian Affairs Jeff Bader, and Deputy National Security Advisor for Strategic Communications Ben Rhodes” (press conference, Office of the Press Secretary, September 23, 2010).

63. “Q&A: Japanese Foreign Minister Seiji Maehara on China,” *Wall Street Journal*.

64. “Clinton: Senkakus Subject to Security Pact,” *Japan Times*, September 25, 2010.

65. Bader, *Obama and China’s Rise*, 107.

66. Philip J. Crowley, “Remarks to the Press” (press conference, New York, September 23, 2010).

said, “Obviously we very, very strongly support our ally,” and Gates promised the United States “would fulfill our alliance responsibility” if necessary.⁶⁷

In their meeting later that day, President Obama and Chinese premier Wen reportedly focused on economic policy, though there was a “brief” discussion of “a few political-security issues.”⁶⁸ According to Bader’s press briefing following the summit, the Senkaku dispute was not raised. In response to a question, however, Bader explained that U.S. treaty obligations would cover the islands. Bader also downplayed the likelihood of the crisis leading to conflict, explained U.S. neutrality on the sovereignty dispute, vowed that the United States was “not playing or going to play a mediating role,” and urged mutual restraint and a bilateral diplomatic solution.⁶⁹ Assistant Secretary Crowley echoed these remarks, stating that “because the Senkaku Islands are under Japan’s administration, [they are] covered by the U.S.-Japan security treaty.”⁷⁰

Finally, a meeting took place between President Obama and Japanese prime minister Naoto Kan. The White House readout of the dialogue makes no reference to the Senkaku dispute, even as it mentions the two heads of government “reaffirmed their commitment to strengthening the U.S.-Japan alliance” and “discussed maritime issues in the Western Pacific.”⁷¹ Unlike lower level U.S. officials, the president did not publicly state that the United States had a treaty obligation applicable to the Senkakus.⁷² The two leaders do appear to have discussed the issue, however. According to Bader’s account, Kan informed Obama of Japan’s intention to release the detained captain and the president “expressed satisfaction” with the decision.⁷³ President Obama also communicated his desire to “further deepen [the] alliance.”⁷⁴ In many ways, this signaled the beginning to the end of the crisis.

Yet around this time, reports emerged that China had begun enforcing an “embargo” on the export of rare earth metals to Japan.⁷⁵ Rare earths are a set of 17 chemical elements that are critical to the production of defense, aviation, industrial, clean-energy, and consumer electronics products. China possesses about 40 percent of known world reserves, mostly in the Inner Mongolia Autonomous Region. Until the 1980s, the United States was the global leader in rare earth

67. Elise Labott, “U.S. Walks Tightrope in China-Japan Dispute,” CNN, September 24, 2010.

68. Crowley, “Remarks to the Press.”

69. White House, “Press Briefing by Press Secretary Robert Gibbs, Special Assistant to the President and Senior Director for Asian Affairs Jeff Bader, and Deputy National Security Advisor for Strategic Communications Ben Rhodes” (press conference, September 23, 2010).

70. Crowley, “Remarks to the Press.”

71. White House, “Readout of President Obama’s Meeting with Prime Minister of Japan Naoto Kan,” press release, September 23, 2010.

72. He would not do so for almost four more years. White House, “Joint Press Conference with President Obama and Prime Minister Abe of Japan” (press conference, Akasaka Palace, Tokyo, April 24, 2014).

73. Bader, *Obama and China’s Rise*, 107.

74. Government of Japan, Office of the Prime Minister, “Press Conference by Prime Minister Naoto Kan following His Visit to the United States” (press conference, Tokyo, September 24, 2010).

75. See, in particular, Keith Bradsher, “Amid Tension, China Blocks Vital Exports to Japan,” *New York Times*, September 22, 2010.

production. Yet by the early 2000s, falling prices and rising U.S. environmental standards had led to Chinese mines achieving a near-total monopoly. In 2009, China accounted for 97 percent of rare earth concentrates, intermediates, and chemicals.⁷⁶

In particular, a *New York Times* story claimed that China's General Administration of Customs had ordered companies based in China to stop shipping rare earth raw materials (oxides, salts, and pure rare earths) to Japan. Customs officials were also said to be preventing freighters from leaving port. According to one rare earths trader, the Chinese government privately said that the ban would last through the rest of September—ending only if Tokyo released the fishing boat captain.⁷⁷ Many (but not all) observers saw these reports as clear evidence that Beijing was wielding economic coercion in the dispute.⁷⁸ This left a major impression on Jeffrey Bader, who saw China's willingness to "upend global trading arrangements and practices [regarding rare earths] in retaliation" as the most significant of its policy levers in this Senkakus standoff.⁷⁹ Secretary of State Hillary Clinton also later called the move a "wake-up call."⁸⁰

A Chinese ministry of commerce spokesperson initially declined to comment on these allegations.⁸¹ Responding to a Reuters inquiry, however, another spokesperson unequivocally denied them, noting, "China has not issued any measures intended to restrict rare earth exports to Japan. There is no foundation for that. . . . I don't know how *The New York Times* came up with this, but it's not true. There are no such measures." Some rare earths traders in both Japan and China likewise said they "had not heard of any ban," and one asserted that any cut in export quotas had "nothing to do with the fishing boat incident."⁸² A local Chinese official in Inner Mongolia said he was unaware of any export ban on Japan, which would violate World Trade Organization rules.⁸³ Several days later, Chinese commerce minister Chen Deming suggested that some Chinese companies might have reduced shipments bound for Japan out of their own patriotic feeling.⁸⁴ Yet at the October 7 China-EU Business Summit, Chinese premier Wen Jiabao stated emphatically, "We haven't imposed, and will not, impose an embargo on the industry . . . China is not using rare earth as a bargaining chip."⁸⁵

76. U.S. Geological Survey, *Mineral Commodities Summaries 2014* (Reston, VA: USGS, 2014), 129; Pui-Kwan Tse, *China's Rare-Earth Industry*, Open File Report 2011–1042 (Reston, VA: USGS, 2011), 2.

77. Bradsher, "Amid Tension, China Blocks Vital Exports to Japan."

78. Paul Krugman, "Rare and Foolish," *New York Times*, October 17, 2010; Chanlett-Avery, Cooper, and Manyin, *Japan-U.S. Relations*, 4; Wayne M. Morrison and Rachel Tang, *China's Rare Earth Industry and Export Regime: Economic and Trade Implications for the United States*, CRS Report R42510 (Washington, DC: Congressional Research Service, 2012), 31; Dennis Blair, "What Washington Expects of Australia," *American Review*, July 29, 2013; *Dangerous Waters: China-Japan Relations on the Rocks* (Brussels: International Crisis Group, 2013), 21.

79. Bader, *Obama and China's Rise*, 108.

80. "U.S. Says China Must Clarify Rare Earth Exports," *USA Today*, October 28, 2010.

81. Bradsher, "Amid Tension, China Blocks Vital Exports to Japan."

82. "China Denies Banning Rare Earth Exports to Japan," Reuters, September 23, 2010.

83. James T. Arredy, David Fickling, and Norihiko Shirouzu, "China Denies Halting Rare-Earth Exports to Japan," *Wall Street Journal*, September 23, 2010.

84. Keith Bradsher and Edward Wong, "China's Ban on Selling Rare Earth Minerals to Japan Continues," *New York Times*, October 10, 2010.

85. "Premier Wen's Speech at Sixth China-EU Business Summit," Xinhua, October 7, 2010.

Japanese officials expressed uncertainty about whether export restrictions had actually been put in place, and different spokespersons gave contradictory assessments.⁸⁶ Rare earth trade is particularly important for Japan, which has been the largest importer of Chinese rare earth metals for years. In 2010, Japan was the destination for 49 percent of Chinese rare earth exports.⁸⁷ Japanese processing and manufacturing industries have mainly imported raw materials, whereas the United States and others typically rely on Chinese rare earth production more indirectly through the purchase of Japanese intermediary components and manufactured goods.⁸⁸ An executive at a Japanese importer confirmed that there were rumors of an embargo, but claimed, "So far, nothing has changed." One European buyer said his Japanese partners were not encountering any issues at the time, whereas a U.S. industry consultant said he had heard of a halt from "numerous sources in Japan."⁸⁹ In interviews conducted several years later, many Japanese analysts nevertheless believed China had used rare earths as a coercive tool in the dispute.⁹⁰ Like the arrest of the Fujita employees, however, official Japanese accounts of the diplomatic standoff make no reference to rare earths. Tokyo never formally accused Beijing of using an embargo as a coercive tool in the island dispute.⁹¹

Monthly statistics for Chinese rare earth exports to Japan (Figure 3.6) show a significant decline in October and November 2010, though not an "embargo." Other analysts looking at similar data have found more dramatic declines during this period.⁹² In either case, the evidence suggests Chinese companies and joint ventures made a substantial reduction in shipments to Japan around this time. Allowing a few days' lag for merchant ships that were already under way to Japan, it is possible the "ban" began in late September as the *New York Times* reported. Some scholars have argued that it is more difficult to find clear patterns in the data. Analyzing statistics obtained from the Japanese Ministry of Finance, Iain Johnston found "little to no statistical relationship" across six rare earth categories and the four main Japanese ports handling them. Seventeen percent of these observations even saw an increase from September to October.⁹³ Apparently, there was also no decrease in Chinese exports of semi-processed rare earth alloys to Japan.⁹⁴

Other aspects of the export contraction further confuse the narrative, in particular its length in time and extension to other countries. On September 29, Beijing reportedly lifted its "embargo" following Tokyo's release of the Chinese fishing captain. Yet the data make clear that the

86. See "China Denies Banning Rare Earth Exports to Japan," Reuters; Peter Foster and Julian Ryall, "China 'Places Unofficial Ban' on Key Metals Exports to Japan," *Telegraph*, September 23, 2010; Bradsher, "Amid Tension, China Blocks Vital Exports to Japan"; Arredy, Fickling, and Shirouzu, "China Denies Halting Rare-Earth Exports to Japan."

87. People's Republic of China (PRC), Ministry of Commerce, "Regular Press Conference of the Ministry of Commerce on 15th of December," press release, December 16, 2010.

88. Bradsher, "Amid Tension, China Blocks Vital Exports to Japan"; Sonali Paul and Yuka Obayashi, "Japan Loosens China's Grip on Rare Earth Supplies," Reuters, September 4, 2012.

89. Arredy, Fickling, and Shirouzu, "China Denies Halting Rare-Earth Exports to Japan."

90. *Dangerous Waters*, 21.

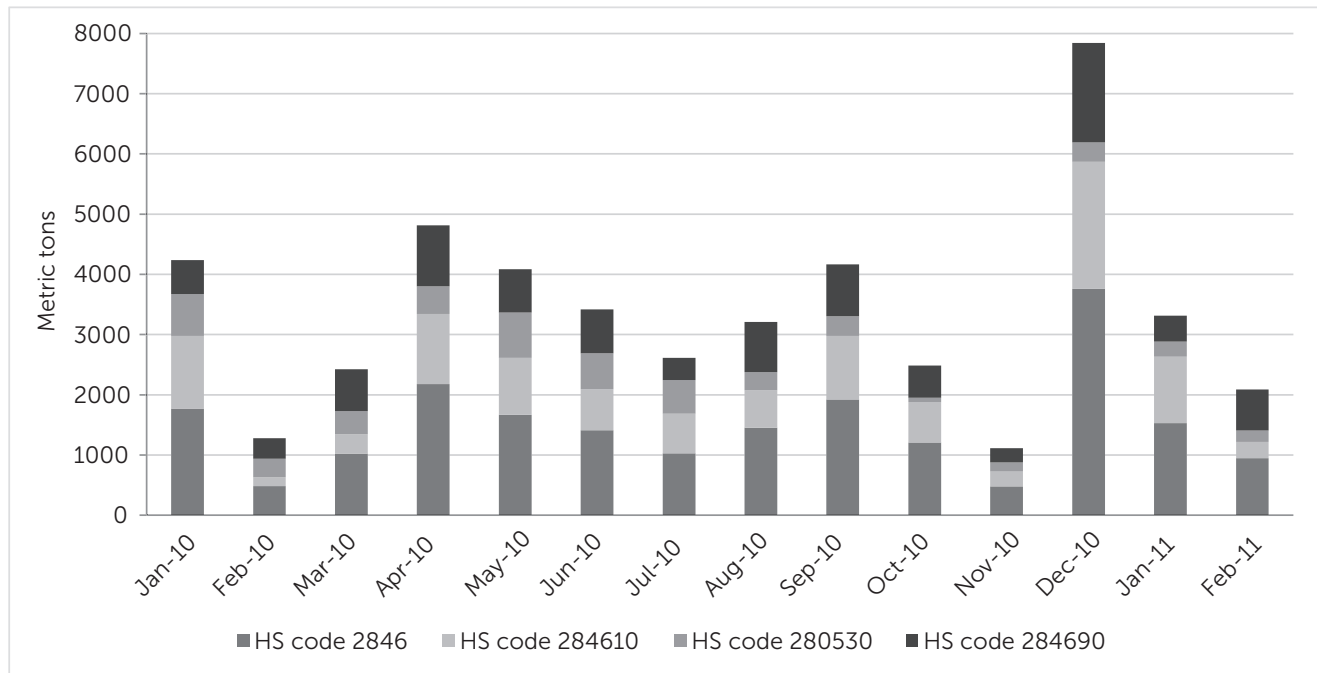
91. Japanese MOFA, "Major Exchanges"; Japanese MOFA, "Recent Developments," 6.

92. Morrison and Tang, *China's Rare Earth Industry and Export Regime*, 32.

93. Johnston, "How New and Assertive Is China's New Assertiveness?," 24.

94. Bradsher, "Amid Tension, China Blocks Vital Exports to Japan."

Figure 3.6. Japanese Imports of Select Rare Earths from China



Source: United Nations Comtrade Database.

restrictions did not fully manifest until October.⁹⁵ It is possible that Chinese policymakers decided to extend the export squeeze even after Zhan Qixiong was freed in order to punish Japan further or to create plausible deniability. On October 18, restrictions then reportedly hit the United States and Europe as well. A Chinese embassy spokesperson said a “stricter export mechanism” was responsible and denied any ulterior diplomatic motive behind the policy change.⁹⁶ It is unclear whether these U.S. and European cuts were an expansion of original cuts that only targeted Japan, or if this was simply the first time they were being felt or reported.⁹⁷ Regardless, if the objective was to coerce Japan in the Senkakus dispute, Chinese policymakers were willing to accept great economic harm themselves in order to create leverage and cover their tracks. In 2010, the Japanese, U.S., and European markets constituted a full 70 percent of China’s total rare earth exports.⁹⁸

95. Yuko Inoue, “China Lifts Rare Earth Export Ban to Japan: Trader,” Reuters, September 29, 2010; Bradsher and Wong, “China’s Ban on Selling Rare Earth Minerals to Japan Continues.”

96. Some U.S. observers speculated that China’s trade action against the United States and Europe was calculated coercion, this time in response to the awarding of the Nobel Peace Prize to Chinese dissident Liu Xiaobo on October 8 and the U.S. Trade Representative’s initiation of an investigation over Chinese green technologies on October 15. Others argued the move was intended to give cover to China’s real target, Japan. Keith Bradsher, “China Said to Widen Its Embargo of Minerals,” *New York Times*, October 19, 2010; Morrison and Tang, *China’s Rare Earth Industry and Export Regime*, 31.

97. On September 24, one rare earths consultant was quoted in Chinese state media as arguing that companies already “can’t export any to Europe or the United States either.” “‘No Ban’ on Exports of Rare Earths to Japan,” *China Daily*, September 24, 2010.

98. PRC Ministry of Commerce, “Regular Press Conference of the Ministry of Commerce on 15th of December.”

On October 28, shipments bound for the United States and European Union reportedly “resumed,” followed by those to Japan on November 19.⁹⁹

The main alternative explanation for China’s rare earth export restrictions is a drastic change in Chinese industrial policy that came around the same time. Beijing announced these trade actions, which were unrelated to the Senkakus dispute, months prior to the trawler incident. In either event, China’s significant reduction of rare earth shipments were later found to violate World Trade Organization rules regarding export quota regimes.

In the early 1990s and early 2000s, China’s growing monopoly on the production of raw rare earth minerals led to the proliferation of thousands of mines with little oversight. Officials became determined to stem the resulting tide of environmental degradation, safety violations, smuggling, price suppression, and resource depletion. In 2006, China started issuing new production quotas, taxes, and stockpile requirements and more actively enforced existing regulations. Illegal mines were closed in several provinces, and Beijing suspended applications for new licenses. As a result of these policies, overall rare earth production stabilized at 120,000 tons between 2007 and 2010.¹⁰⁰ Yet, China’s domestic demand for rare earths continued to expand despite the production ceiling. As the industry developed, Chinese policymakers started expressing a protectionist or mercantilist interest in moving Chinese firms up the value chain by creating supply and price incentives for foreign producers to move their downstream processing and manufacturing facilities to China. This combination of motives led the government to begin gradually decreasing its rare earths export quota year-on-year as early as 2003.¹⁰¹

In July 2010 (well before the trawler incident), China’s Ministry of Commerce announced a drastic reduction its export quota for the second half of the year (see Table 3.1). These cuts amounted to a 72 percent decline compared to the same period the previous year (or 40 percent drop for the full year). This announcement caused a major shock in the global supply chain, particularly for Japan. Articles in Chinese industry newspapers and magazines acknowledged that Japan would be severely affected.¹⁰² On July 19, Premier Wen tried to reassure foreign investors that China would not totally block the export of rare earths, but that in the future they had to be sold at “a reasonable price and a reasonable volume.”¹⁰³ High-level Japanese officials traveled to Beijing twice in August to convince Chinese leaders to sustain exports at 2009 levels, but were unsuccessful. Commerce Minister Chen Deming cited the imperative of sustainable development for Chinese natural resources. On September 7, the day before the fishing trawler collision, a Japanese

99. The bulk of U.S. reporting at the time was written by only one journalist. See Keith Bradsher, “China Still Bans Rare Earth to Japan,” *New York Times*, November 10, 2010; Keith Bradsher, “China Restarts Rare Earth Shipments to Japan,” *New York Times*, November 19, 2010.

100. Morrison and Tang, *China’s Rare Earth Industry and Export Regime*, 11–12; Tse, *China’s Rare-Earth Industry*, 2–4.

101. Terence P. Stewart et al., *Rare Earths, an Update: A Fresh Look at the Supplier(s), the Buyers, and the Trade Rules* (Washington, DC: Law Offices of Stewart and Stewart, 2011), 13; Tse, *China’s Rare-Earth Industry*, 6.

102. Only 1,800 tons were allocated to Sino-foreign joint exporters, as opposed to domestic exporters. Stewart et al., *Rare Earths, an Update*, 9; Tse, *China’s Rare-Earth Industry*, 6; Amy King and Shiro Armstrong, “Did China Really Ban Rare Earth Metals Exports to Japan?,” *East Asia Forum*, August 18, 2013.

103. “Wen Reassures Foreign Investors,” *China Daily*, July 19, 2010.

Table 3.1. China's Official Export Quotas on Rare Earths (metric tons)

	2009 (1st half)	2009 (2nd half)	2010 (1st half)	2010 (2nd half)	2011 (1st half)	2011 (2nd half)
Domestic	15,043	16,267	16,305	6,208	10,762	11,950
Joint Venture	6,685	10,160	5,978	1,768	3,684	3,788
Total	21,728	26,427	22,283	7,976	14,446	15,738

Data source: "2009–2011 年中国稀土企业出口配额情况" (Export Quota Situation for Chinese Rare Earth Enterprises, 2009–2011), China Rare Earth Information, July 16, 2011, <http://www.cre.net/show.php?contentid=97130>.

business delegation protested the new quota with Chinese officials. By this time, the impending cutoff in supply had already created a large price spike for rare earth raw materials.¹⁰⁴

The substantial export decline in October and November 2010 could be explained by the fact that by late September, most of China's new export quota for the second half of 2010 had already been spent. According to one rare earths trader, by the start of September, China had already exported some 28,500 out of its full-year quota of 30,300 tons. Other Western newspapers reported that exporters only had six weeks' worth of the quota left at the time of the Senkakus dispute.¹⁰⁵ Other scholars have also highlighted the historical volatility of Chinese rare earths exports, even on a month-to-month basis.¹⁰⁶ The protectionist or mercantilist hypothesis would also seem to explain why Beijing continued to ship alloys and semi-processed products to Japan and others, but not oxides, salts, and pure rare earths as it sought to move Chinese firms up the value chain. Chinese policy after 2010 continued to be consistent with its stated industrial policy and sustainable development motives. In December 2010 and January 2011, the Chinese commerce ministry again announced a massive reduction in its export quota for the first half of 2011, amounting to another 35 percent decline compared to the previous year.¹⁰⁷

Phase V: Japan Releases Chinese Captain

On the morning of September 24, five days before the legal deadline, the Naha District Public Prosecutor's Office announced it had decided to release Zhan Qixiong. The Japanese Ministry of

104. At a Sino-Japanese High-Level Economic Dialogue meeting on August 28, Minister Naoshima Masayuki likewise failed to persuade Minister of Industry and Information Li Yizhong and Commerce Minister Chen Deming. Hagstrom, "Power Shift' in East Asia?," 282; "China, Japan Debate Restrictions on Rare Earth Exports," *People's Daily*, August 30, 2010; Bradsher, "Amid Tension, China Blocks Vital Exports to Japan"; "Digging In," *Economist*, September 2, 2010.

105. Arredy, Fickling, and Shirouzu, "China Denies Halting Rare-Earth Exports to Japan"; Bradsher, "China Said to Widen Its Embargo of Minerals."

106. Johnston, "How New and Assertive Is China's New Assertiveness?," 24; "Rare-Earth Furor Overlooks China's 2006 Industrial Policy Signal," *Bloomberg News*, October 21, 2010.

107. Tse, *China's Rare-Earth Industry*, 6.

Foreign Affairs informed the Chinese embassy of the decision following the prosecutor's notice. In statements following the decision, the Japanese prime minister, foreign minister, and chief cabinet secretary all dismissed political charges that they had pressured local authorities to release the captain. Prime Minister Kan stated that the prosecutor's office had "considered [the] nature of this incident from all angles" and made its verdict "on the basis of Japanese domestic law." Chief Cabinet Secretary Sengoku repeated this argument and emphasized the "somber" nature of the prosecutor's mission.¹⁰⁸

The prosecutor's office, however, unambiguously cited a diplomatic rationale for its decision. Vice Prosecutor Toru Suzuki explained that "further investigation while keeping the captain in custody would not be appropriate, considering the impact on the people of our country as well as Japan-China relations in the future."¹⁰⁹ It is possible that the Naha District simply went beyond its mandate by including geopolitical concerns in its deliberations. On the other hand, that the prosecutor's judgment was apparently on the negotiating table during U.S.-Japan alliance consultations the previous day lends credence to the view that Tokyo intervened. Whatever the rationale, the decision was not made purely on the basis of Japanese domestic law. Following the decision, Kan, Sengoku, and Finance Minister Yoshihiko Noda also seemed to underscore the potential harm to the Sino-Japanese political and economic relationship had Zhan not been released. The chief cabinet secretary told Reuters, "It is a fact that there was the possibility that Japan-China relations might worsen or that there were signs of that happening."¹¹⁰

Before dawn on September 25, Zhan Qixiong left Japan on a plane chartered by the Chinese government. After he had arrived home in Fujian Province, the Chinese foreign ministry issued a statement again protesting Japan's actions as "unlawful and invalid." The government also demanded an "apology and compensation" in spite of the captain's release.¹¹¹ Probably hoping for gratitude from Beijing, Japanese officials responded with hostility. In a paper released that afternoon, the Japanese foreign ministry acknowledged no sovereignty dispute over the islands and called China's demand for an apology and compensation "completely groundless and . . . utterly unacceptable."¹¹² The statement also affirmed the importance of overall bilateral relations, but Chief Secretary Sengoku laid the burden for further improvement on Beijing by noting, "At this point, the ball is now in China's court."¹¹³ Sengoku also announced that Tokyo had likewise demanded that Chinese authorities pay for the damage to the two Japan Coast Guard patrol vessels

108. Japanese MOFA, "Major Exchanges"; "Q&A: Japanese Foreign Minister Seiji Maehara on China," *Wall Street Journal*; Japan, Office of the Prime Minister, "Press Conference by Prime Minister Naoto Kan"; Megan Stack, "Japan Releases Chinese Fishing Captain," *Los Angeles Times*, September 24, 2010.

109. Tania Branigan and Justin McCurry, "Japan Releases Chinese Fishing Boat Captain," *Guardian*, September 24, 2010.

110. Japan, Office of the Prime Minister, "Press Conference by Prime Minister Naoto Kan"; "Japan Frees Chinese Boat Captain amid Diplomatic Row," BBC News, September 24, 2010; Sakamaki, "Four Japanese Held in China as Boat Tensions Escalate."

111. Japanese MOFA, "Major Exchanges"; "Japanese PM Calls for Further Ties with China," Xinhua, September 25, 2010.

112. Japanese MOFA, "Recent Developments," 7.

113. Justin McCurry and Tania Branigan, "Japan Demands China Pay to Repair Damage to Coast Guard Vessels," *Guardian*, September 27, 2010.

involved in the original collision. Prime Minister Kan also personally dismissed China's demands as "unthinkable."¹¹⁴

The Japanese government immediately came under fire from domestic opponents for releasing the Chinese captain. The *New York Times* called the concession "a humiliating retreat in a Pacific test of wills." A dozen parliamentarians from Prime Minister Kan's own party and traditionally left-wing newspapers joined the opposition in its criticism. Nobuteru Ishihara, secretary-general of the opposition Liberal Democratic Party, called the Democratic Party of Japan's "diplomatically tone-deaf" actions a "historic blunder." He also asked the Japanese diet to summon Naha District prosecutors to testify about their decision. The prime minister came under particularly harsh condemnation from right-wing Tokyo governor Shintaro Ishihara, who compared China to an "organized crime group." On September 28, former prime minister Shinzo Abe and 100 other conservative lawmakers released a statement censuring the release.¹¹⁵ Several reports also emerged of right-wing activists attempting to assault Chinese consulates in Japan. On October 2, some 2,700 protestors gathered in Tokyo's Yoyogi Park, as well as at least 16 other locations, to demonstrate against Kan's perceived mismanagement of the dispute. Meanwhile in China, thousands of demonstrators in two dozen large cities called for tougher measures against Japan.¹¹⁶

On October 5, Prime Minister Kan and Premier Wen met on the sidelines of the Asia-Europe Meeting in Brussels. After a 25-minute meeting, they agreed to resume high-level government and cultural exchanges. Kan and Wen met again at the East Asia Summit in Vietnam on October 30. On November 13, Kan held informal talks with Chinese president Hu Jintao on the margins of the Asia-Pacific Economic Cooperation Forum in Yokohama, Japan. The two leaders emphasized the importance of improving cooperation and overall bilateral ties.¹¹⁷ Interestingly, Zhan Qixiong seems to have been placed under virtual house arrest after being freed from Japanese custody until at least September 2011. Law enforcement officers shielded the returning hero's home, preventing exit or entry. He was reportedly only allowed to leave on rare occasions, having to first obtain permission from a local police station.¹¹⁸

114. After a collision between a Taiwanese fishing ship and a Japan Coast Guard patrol vessel in 2008, Japan's head diplomat in Taiwan had indeed offered an apology to the captain. In that case, however, video footage clearly showed that the Japan Coast Guard caused the crash. McCurry and Branigan, "Japan Demands China Pay to Repair Damage to Coast Guard Vessels"; Michael Mochizuki, "China Over-Reached," *Oriental Economist*, October 2010; "China Criticizes Japan's Move to Seek Compensation over 2010 Ship Collision," Reuters, February 12, 2014.

115. Martin Fackler and Ian Johnson, "Japan Retreats with Release of Chinese Boat Captain," *New York Times*, September 24, 2010; Alex Martin and Kanako Takahara, "Friction Cited in Move to Free Chinese Skipper," *Japan Times*, September 25, 2010; "Kan Rejects Beijing's Demand for Apology," *Japan Times*, September 27, 2010; McCurry and Branigan, "Japan Demands China Pay to Repair Damage to Coast Guard Vessels."

116. Yuka Hayashi, "China Row Fuels Japan's Right," *Wall Street Journal*, September 28, 2010; Mark Schreiber, "Weeklies, Tabloids Hawkish over China," *Japan Times*, October 10, 2010; Jessica Chen Weiss, *Powerful Patriots: Nationalist Protest in China's Foreign Relations* (New York: Oxford University Press, 2014), 179.

117. "China's and Japan's Leaders Meet, Signal a Diplomatic Thaw," CNN, October 5, 2010; "Hu Meets Japanese PM on APEC Side Meeting," Xinhua, November 14, 2010.

118. Atsushi Okudera, "Ex-Captain Confined to Home a Year after Senkaku Collision," *Asahi Shimbun*, September 7, 2011.

After the trawler incident, observers in the United States, Japan, and elsewhere were divided between those who believed that Japan's release of the Chinese captain would encourage future assertiveness, and those who viewed China's overreaction as severely injuring its image and strengthening the U.S.-Japan alliance. Foreign Minister Seiji Maehara pledged that the government would take similar actions against Chinese ships in response to any violations of Japanese sovereignty. U.S. officials also reportedly sensed a "clear opportunity" in Japan's renewed interest in deepening ties with Washington to "update the regional security architecture."¹¹⁹ Surveys conducted in October 2010 suggested that Japan's management of the crisis was "directly responsible" for the ruling Democratic Party of Japan's falling approval ratings. Polling before and after the nationalization crisis in 2012 also found that nearly half of respondents blamed the 2010 incident for their increasingly unfavorable view of China and for damaging Tokyo's credibility.¹²⁰

Conclusions

First, Tokyo and Beijing each perceived the other as having escalated the Senkaku dispute. For Japan, the aggressiveness of the Chinese trawler's actions was an escalation compared to past incidents and justified Tokyo in arresting and detaining the crew. Concern about the increased number of Chinese fishermen in the area may have also influenced the decision. Tokyo was therefore dismayed and perhaps surprised by Beijing's assertive diplomatic response to the arrest. On the other hand, the Japan Coast Guard had quickly assessed that the trawler captain was intoxicated and not a surrogate for Beijing, so it seems unlikely that Chinese leaders intentionally created an incident to test U.S. or Japanese resolve. For China, Japan's routine interference with Chinese fishermen near the Senkakus was a breach of their bilateral fisheries agreements, and the decision to arrest the trawler captain also violated an understanding reached in 2004 to deport rather than prosecute Chinese activists who reached the islands.

Second, this was the first time that China sent coast guard vessels into the waters of the Senkakus (except for an isolated incident in 2008). Although Chinese claims to the islands are long-standing, Beijing had not previously engaged in such risky maritime posturing despite having the operational capabilities to do so for some time. In September 2010, China's leaders feared Japan was moving to abandon the bilateral consensus to shelve the Senkakus dispute. Beijing apparently sought to undermine Tokyo's perceived attempt to strengthen its de facto control by ordering a tit-for-tat escalation at sea. During the 2010 fisheries incident, Chinese patrols peaked in September before gradually tapering into November, and then occurred only intermittently again until the Senkakus nationalization crisis in 2012.

Third, although there was a substantial decline in Chinese rare earth exports around the same time, this may or may not have been directly related to the islands dispute. Drastic changes to Chinese industrial and sustainable development policies were announced months prior to the trawler incident. Their effects would also be consistent with observed export restrictions. A third

119. Hayashi, "China Row Fuels Japan's Right"; Ayai Tomisawa and Jeremy Page, "Japan-China Tensions Enter New Phase," *Wall Street Journal*, September 26, 2010; Masami Ito, "Senkaku Spat Hurt Beijing as Well," *Japan Times*, September 30, 2010.

120. Manicom, "Growing Nationalism and Maritime Jurisdiction in the East China Sea"; *Dangerous Waters*, 22.

possibility is that after Japan's arrest of the Chinese captain, leaders in Beijing or customs officials themselves decided to accelerate reductions that had already been planned and announced.¹²¹ In any case, the United States, Japan, and the Europeans all viewed China's trade actions as a violation of World Trade Organization rules governing export quota regimes. In 2013, the three parties took China to court over the issue and won a sweeping victory before the World Trade Organization. Following the loss of its appeal, China acquiesced in January 2015 and finally eliminated its decades-old policy of fixing export quotas for rare earths.¹²² This was a significant commercial victory, yet strategically also had the effect of reinforcing rather than reducing Japan's structural vulnerability to China's rare earths monopoly.

Fourth, China restrained rather than encouraged protests by private Chinese activists following the 2010 trawler collision, unlike the 2012 Senkakus nationalization crisis. Small and orderly protests were permitted in a few cities, but authorities in Hong Kong and Xiamen (as well as Taiwan) prevented nationalist groups from staging landings on the disputed islands. Despite Beijing's heated rhetoric and cancellation of numerous government-to-government exchanges, this caution probably reflected an effort by Chinese leaders to signal that they wanted to avoid further escalation or damage to the overall bilateral relationship. The sudden arrest of a Chinese fisherman may also have been less salient for the Chinese public and leadership in 2010 compared to the nationalization decision in 2012, which came after years of strained ties.

Finally, Japan's decision to release the captain resolved the immediate crisis but had lasting effects on regional politics. China succeeded tactically in the sense that Beijing secured the freedom of its fishermen. However, China paid a strategic price as its maritime relations with Japan soured, creating the opportunity for a revitalized U.S.-Japan alliance. The events of September 2010 also led directly to those of September 2012. After helping create the high-profile spat, the ruling Democratic Party of Japan paid a domestic political price for what many now saw as capitulation to Beijing. This energized the opposition Liberal Democratic Party and increased the general public's sensitivity to Chinese claims to the Senkaku Islands. Japanese policymakers had less maneuvering room in future crises as a result, and shelving the dispute became less tenable.

121. King and Armstrong, "Did China Really Ban Rare Earth Metal Exports to Japan?"

122. Lucy Hornby and Shawn Donnan, "WTO Rules against China on Rare Earths Export Quotas," *Financial Times*, October 29, 2013; Chuin-Wei Yap, "China Ends Rare-Earth Mineral Export Quotes," *Wall Street Journal*, January 5, 2015.

CASE 3: SCARBOROUGH SHOAL STANDOFF (2012)

Figure 3.7. Landsat Image of Scarborough Shoal



Source: NASA (February 23, 2000).

Overview

On April 10, 2012, a Philippine warship intercepted several Chinese fishermen at the disputed Scarborough Shoal, leading to a two-month standoff when two Chinese law enforcement vessels arrived before Manila could complete the arrest. Despite initial de-escalations, the two sides could not agree on the terms of a total withdrawal. Manila then announced that it would seek international arbitration as well as help from ASEAN and the United States. Beijing criticized these attempts to “internationalize” the dispute but then withdrew its vessels unilaterally. When the Philippines did not reciprocate, China gradually escalated, sending back its coast guard and fishermen and occasionally harassing Philippine vessels. On April 30, the United States offered support for its treaty ally but chose not to intervene directly. In May, China imposed a quarantine on what it claimed were infected Philippine fruit imports, yet many believed it was using economic coercion as a tool in the maritime dispute. Facing increasing pressure, the Philippine president empowered a backdoor negotiator to work with Beijing. Meanwhile, Washington became involved in brokering official negotiations. Reports differ on whether China actually agreed to a final mutual withdrawal, under what terms, and through which diplomatic channel. Yet on June 15, the Philippines’ vessels left the shoal while China’s either remained or quickly returned and began denying entry to Filipino fishermen, resulting in a de facto seizure of control by Beijing.

BOX 3.3. Background on Scarborough Shoal

Scarborough Shoal is a disputed, isolated atoll 140 miles west of the Philippines, 535 miles south-east of China, and 500 miles southwest of Taiwan. Hundreds of ships pass near Scarborough daily, though they usually give it a wide berth.¹ Its three claimants (as well as Vietnam) view its rich coral reefs as traditional fishing grounds. In 2012, some 5 percent of fishermen from the neighboring Masinloc area in the Philippines drew their catch there. For Chinese fishermen headed to the area, Hainan Province's Tanmen shipyard in Qionghai City is the main port of origin.² There are no proven oil or natural gas deposits near the shoal.³

Although Beijing claims it first discovered Scarborough Shoal (or Huangyan Island) in the thirteenth century, there is little evidence of any exercise of sovereignty by Chinese governments in the succeeding centuries.⁴ Manila, on the other hand, claims Scarborough (or Bajo de Masinloc) on the basis of effective occupation and jurisdiction. In the nineteenth century, Spanish colonial authorities in the Philippines conducted detailed surveys of the atoll as well as search and rescue operations for vessels that ran around there.⁵ When Spain ceded the Philippines to the United States in the 1898 Treaty of Paris, Scarborough Shoal fell just outside of a boundary line drawn in Article III to demarcate the concession. The 1900 Treaty of Washington, however, clarified that Madrid also relinquished to the United States "any and all islands belonging to the Philippine archipelago, lying outside the lines described in Article III."⁶ Scarborough was not widely known at the time. Nevertheless, the U.S. colonial government undertook administrative duties there including scientific research and salvage activities. In 1938, Secretary of State Cordell Hull acknowledged in correspondence with Secretary of War Harry Woodring that "in the absence of a valid claim by any other government, the shoal should be regarded as included among the islands ceded to the United States."⁷

Manila argues that Washington transferred this title to the Philippines when it recognized Philippine independence in 1946. Around the same time, in 1947 the Republic of China declared Chinese sovereignty over 172 land features in the South China Sea following initial map verification work in the mid-1930s. This list included Scarborough Shoal (then called Minzhu Reef) as part of what China calls the Zhongsha Islands, whose other main feature is Macclesfield Bank.⁸ The Philippine and Chinese governments first attempted to exercise effective jurisdiction over Scarborough in the early 1960s and late 1970s, respectively. A Philippine Coast and Geodetic Survey team installed a small hut on the shoal in 1961, and in 1963 the Philippine Navy destroyed some storage and pier facilities built there by smugglers. The Philippines raised its national flag on the shoal in 1965 and built a rudimentary lighthouse near the mouth of its lagoon, which later fell into disrepair. U.S. naval forces stationed at Subic Bay also used Scarborough as a bombing range for a period of time.⁹ China's first known official forays were in 1977 and 1978, when the South China Sea Institute of Oceanology conducted initial surveys of the reef. In 1980, China's State Oceanic Administration then erected a cement tablet reading "South China Sea Scientific Expedition," and it completed a comprehensive survey in 1985. China also placed a satellite sensor on the shoal in 1990.¹⁰

Scarborough Shoal became more actively contested in the 1990s. Chinese-led international wireless radio groups began leading expeditions there and in 1994 constructed some temporary platforms. Following China's 1994 occupation of Mischief Reef, Beijing and Manila agreed to a bilateral

code of conduct that involved shelving disputes and pursuing joint development. These civilian expeditions nevertheless ultimately led to the first real confrontation over Scarborough in May 1997. Traveling aboard a China Marine Surveillance vessel, members of the China Radio Sports Association planted Chinese flags and other markers. The Philippine Navy drove away the expedition, arrested 21 Chinese fishermen, and destroyed the markers.

In response to this 1997 incident, Manila began enforcing its claims at Scarborough more forcefully by routinely arresting Chinese fishermen. Beijing did little in reaction in these years other than voice dissatisfaction through diplomatic channels. In 1998, 51 Chinese fishermen were detained at the shoal and confined in Subic Bay. In 1999, Manila's only naval patrol frigate, the BRP *Rajah Humabon*, hit and sank a Chinese trawler in the area. The same frigate fired warning shots at Chinese vessels fishing there the next year. The 2002 China-ASEAN Declaration on the Conduct of Parties in the South China Sea led to a decline in the frequency of these arrests, but Manila still detained 120 Chinese fishermen at the shoal that year alone.¹¹

After subsiding for most of the 2000s, the South China Sea dispute flared up again in 2009. In its Republic Act No. 5446, Manila brought its claims to the Kalayaan Island Group (covering most of the Spratly Islands) and Scarborough Shoal into accordance with the 1982 UN Convention on the Law of the Sea, designating these features as a "regime of islands." Vietnam and Taiwan immediately lodged protests and Beijing followed suit soon after, reiterating Chinese sovereignty claims over Scarborough, the Spratlys, and their "adjacent waters."¹² In March 2011, the Zambales provincial government took action to "strengthen the claim of the Philippines" over the shoal by giving direct administrative jurisdiction to the municipality of Masinloc. The BRP *Rajah Humabon* was again dispatched to Scarborough Shoal in June of that year in response to the movement of the Chinese Maritime Safety Administration's largest vessel through the South China Sea.¹³ In November 2011, the U.S. secretary of state, Hillary Clinton, reaffirmed the two countries' military alliance on the deck of a U.S. warship in Manila Bay. She went so far as to use Manila's preferred name for the South China Sea, "the West Philippine Sea." Some analysts attributed China's subsequent, more aggressive behavior to a tit-for-tat reaction to these moves.¹⁴

Two regional developments occurred just days before the Scarborough standoff in 2012, possibly setting the stage for tense diplomacy and miscalculation. In late March, both Beijing and Taipei protested Manila's announcement that it would build a 300-foot wharf in the Spratlys on Thitu Island, where it maintains an airstrip.¹⁵ Then on April 3 and 4, Philippine president Benigno Aquino III called for a common ASEAN position on South China Sea disputes that would involve negotiating a collective position internally before including China in the discussions. The Chinese foreign ministry voiced strong opposition, and Aquino's proposals were vetoed by hesitant ASEAN members like Indonesia and Cambodia.¹⁶

1. Jay K. Batongbacal, "Bajo de Masinloc (Scarborough Shoal): Less-Known Facts vs. Published Fiction" (lecture, Cartographic Exhibit Forum, De La Salle University, September 26, 2014).

2. "BFAR Downplays 'Income Loss' from Panatag Shoal Fishing Ban," *GMA News*, May 19, 2012; Kathrin Hille, "Chinese Boats Fish in Dangerous Waters," *Financial Times*, April 24, 2012.

3. U.S. Energy Information Administration, "South China Sea," February 7, 2013.

4. "Backgrounder: Basic Facts on China's Sovereignty over Huangyan Island," Xinhua, April 14, 2012.

(continued)

BOX 3.3. (Continued)

5. Republic of the Philippines, Department of Foreign Affairs (hereafter Philippine DFA), "Philippine Position on Bajo de Masinloc (Scarborough Shoal) and the Waters within Its Vicinity," press release, April 18, 2012; Batongbacal, "Bajo de Masinloc (Scarborough Shoal)."
6. "A Treaty of Peace between the United States and Spain," U.S. Congress, 55th Cong., 3d sess., Senate Doc. No. 62, Part 1 (Washington, DC: Government Printing Office, 1899), 5–11; "Treaty for the Cession to the United States of Any and All Islands of the Philippine Archipelago Lying outside of the Lines Described in the Article III of the Treaty of Peace of December 10, 1898," Washington, DC, November 7, 1900.
7. Jay Batongbacal, "Scarborough Shoal: A Red Line?," Asia Maritime Transparency Initiative, April 25, 2016; Batongbacal, "Bajo de Masinloc (Scarborough Shoal)."
8. "Backgrounder: Basic Facts on China's Sovereignty over Huangyan Island."
9. François-Xavier Bonnet, "Long History of PH Management," *Philippine Daily Inquirer*, December 15, 2012; Philippine DFA, "Philippine Position on Bajo de Masinloc and the Waters in Its Vicinity."
10. "中国与菲律宾中沙黄岩岛之争" (The Dispute between China and the Philippines over Zhongsha Huangyan Island), *Sohu*, April 21, 2012; "Solid Evidence Supports China's Sovereignty Claim," *China Daily USA*, May 10, 2012.
11. "Scarborough Shoal Standoff: A Historical Timeline," *Inquirer Global Nation*, May 9, 2012; "(Dispute between China and the Philippines)," *Sohu*.
12. "Envoy Conveys to DFA China's Displeasure with RP Baseline Law," *GMA News*, March 14, 2009; Permanent Mission of the People's Republic of China to the United Nations, note verbale CML/12/2009, April 13, 2009; "Taiwan Lodges Protest against Philippines Act to Annex Disputed Islands," *BBC Monitoring*, March 13, 2009.
13. "Scarborough Shoal Standoff," *Inquirer Global Nation*.
14. See Floyd Whaley, "Philippines and China in a Standoff at Sea," *New York Times*, April 11, 2012.
15. Manuel Mogato, "Philippines' Spratlys Tourism Plan Likely to Rile China," Reuters, April 2, 2012; Shih Hsiu-chuan, "MOFA Reiterates Claim over Island," *Taipei Times*, April 1, 2012.
16. Stuart Grudgings and Prak Chan Thul, "Southeast Asia Fails to Tackle Sea Spat with China Head On," Reuters, April 4, 2012; "China Urges 'Direct' Talks on Maritime Disputes," *Inquirer Global Nation*, April 5, 2012; "China to Negotiate Directly with ASEAN Members over Disputes," *Xinhua*, April 5, 2012; Aurea Calica, "'Let's Jaw-Jaw, Not War-War,'" *Philippine Star*, April 17, 2012.

Timeline

	China	Philippines	United States
Phase I: Philippine navy detains Chinese fishermen			
Apr 8	Fishermen seen at shoal	Deploys naval frigate	
Apr 10	Coast guard responds	Navy begins arrests	
Apr 12–13	Deploys armed ship, withdraws other vessels	Replaces frigate with coast guard vessel	
Phase II: Standoff ensues when initial negotiations fail			
Apr 13	Both refuse to be the first party to withdraw		
Apr 17–22		Calls for arbitration, ASEAN's support	Affirms (vague) alliance commitment
Apr 23	Withdraws over horizon	Deploys second vessel	
Phase III: Manila seeks U.S. help while China escalates			
Apr 26	Threatens military escalation	Calls for maximum U.S. intervention	
Apr 28–30	Vessels return and harass Philippine ships	Consultations result in only indirect U.S. support	
May 3	Quarantines fruit imports		
Phase IV: New talks lead to some de-escalation			
May 26–27	Back channel talks end fruit quarantine, some Chinese ships depart		
early Jun	U.S.-brokered negotiations occur, but unclear whether deal reached		
Jun 15	Presence peaks at sea	Withdraws all vessels	
Phase V: Final negotiations fail to restore status quo ante			
Jun 17–18	Denies existence of deal	Publicizes alleged agreement	
late Jun	Ships return/remain		
Jul	Erects barrier across lagoon	ASEAN fails to give support	

Incident Details

Phase I: Philippine Navy Detains Chinese Fishermen

On the morning of April 8, 2012, a Philippine Navy patrol aircraft spotted eight Chinese fishing vessels anchored in the lagoon of Scarborough Shoal. According to Chinese officials, 15 Chinese fishing vessels were actually present—three outside and 12 inside the lagoon.¹ These ships had left the Tanmen shipyard in Hainan on a normal fishing expedition and, on the word of Chinese statements, taken shelter at Scarborough due to harsh weather conditions.² Although April 8 was the first confirmed sighting, the Philippines' local National Coast Watch System station claimed it had been monitoring their movements for as long as three weeks. The Philippine Navy dispatched its largest warship, the BRP *Gregorio del Pilar*, to intercept the fishermen. The patrol vessel had already been under way to nearby Poro Point in La Union for unrelated operations.³

The Philippine frigate arrived at Scarborough Shoal early on April 10. Armed Philippine sailors boarded the Chinese fishing vessels inside the lagoon and allegedly shut off the ships' satellite navigation systems and radio communication equipment. Inspections lasted several hours. Large catches of giant clam, live blacktip shark, and coral protected under Philippine anti-poaching laws were discovered. The fishermen were forced to pose next to their illegal hold for photographs that the military's Northern Luzon Command soon released to the public.⁴

After the Philippine sailors disembarked, the Chinese civilians sent a distress call to officials in Hainan via satellite phone. Two China Marine Surveillance vessels, the 1,300-ton CMS 75 and 1,700-ton CMS 84, steamed toward Scarborough.⁵ The Philippine personnel were preparing to board again, conduct arrests, and confiscate the ships—as they had done many times in the past—but the two China Marine Surveillance vessels arrived on the scene and positioned themselves at the mouth of the lagoon, effectively blocking the warship from the fishermen.⁶ They hailed the Philippine cutter and demanded its withdrawal, reiterating Chinese sovereignty over Scarborough

1. "Scarborough Shoal Standoff: A Historical Timeline," *Inquirer Global Nation*, May 9, 2012; Matikas Santos, "Poaching Triggers Scarborough Standoff," *Inquirer Global Nation*, April 11, 2012; Roel Landingin and Kathrin Hille, "Philippines and China in Naval Standoff," *Financial Times*, April 11, 2012.

2. Historical weather data for the time of the incident seems to confirm the plausibility of needing to seek shelter. Willard Cheng, "China to PH: Stop Illegal Acts, Leave Scarborough," *ABS-CBN News*, April 1, 2012.

3. Tessa Jamandre, "China Sends Reinforcement in Standoff with PH Navy," *Vera Files*, April 12, 2012; Ellen Tordesillas, "Scarborough Shoal Again," *EllenTordesillas.com*, April 12, 2012.

4. These photos can be found at "菲律宾海军在黄岩岛持枪抓捕中国渔民" (Philippine Navy Arrests Chinese Fishermen at Gunpoint at Scarborough Shoal), *NetEase*, April 11, 2012; "Chinese Fishermen Recall Clash with Philippine Navy," *China Daily*, April 18, 2012.

5. Landingin and Hille, "Philippines and China in Naval Standoff"; Zhang Yunbi, "Protest Lodged at Harassment by Manila Ship," *China Daily*, April 12, 2012.

6. CMS 75 and 84 belong to the Seventh and Eighth Marine Surveillance Flotillas, respectively, at the South China Sea Fleet headquarters in Guangzhou, Guangdong. "中国海监速度最快先进执法船装备南海总队" (China's Fastest Advanced Law Enforcement Vessel Fits Out South China Sea Fleet), *Sina*, October 27, 2010; "高清: '中国海监84'船入列中国海监南海总队" (High Definition: 'China Marine Surveillance 84' Ship Enters China Marine Surveillance South China Sea Fleet), *Xinhua*, May 8, 2011.

and its adjacent waters. The BRP *Gregorio del Pilar* responded in turn, arguing instead that the area fell within the Philippines' exclusive economic zone.⁷

While the ships at Scarborough settled into an uneasy standoff, President Aquino called a conference with Defense Secretary Voltaire Gazmin and the head of Northern Luzon Command, Lieutenant General Anthony Alcantra. They concluded that the Philippine Coast Guard had primary responsibility for responding to this type of incident, though if nearby, the navy could be tasked with maritime law enforcement missions. This determination was in line with the president's September 2011 Executive Order No. 57, which laid down a "white to white, gray to gray" guidance for dealing with foreign government vessels. As a result of these discussions, President Aquino decided to send a coast guard vessel to replace the BRP *Gregorio del Pilar* in order to mirror China's deployment of unarmed law enforcement ships.⁸ Late that evening, Philippine officials summoned Chinese ambassador Ma Keqing and asserted that Philippine claims and laws would be enforced.⁹ Local China Marine Surveillance officers likewise apprised their South China Sea Bureau of the situation at this time. Liu Cigui, the director of the State Oceanic Administration, even teleconferenced with them directly.¹⁰

Having received instructions to find a "diplomatic solution," Foreign Secretary Albert del Rosario summoned Ambassador Ma to the Department of Foreign Affairs on the morning of April 11. After exchanging talking points, the two sides reached an impasse but agreed to meet again that night.¹¹ Meanwhile, an unarmed China Marine Surveillance Harbin Y-12 II patrol aircraft conducted a reconnaissance flight over Scarborough Shoal.¹² At a press conference, the Philippine Navy chief, Vice Admiral Alexander Pama, and Secretary del Rosario handed out photographs of the two Chinese ships at Scarborough. Both Aquino and del Rosario vowed that the Philippines would take steps to "protect" and "secure" its sovereignty if challenged.¹³ However, del Rosario also remained positive about Beijing and Manila's mutual desire to find a "win-win solution." The president even voiced a degree of empathy for China's position. Both Philippine leaders also specified they would not seek to draw the United States into the dispute at this time. Philippine decisionmakers were

7. "DFA: 1 of 3 Chinese Vessels in Panatag Shoal Standoff Leaves," *GMA News*, April 13, 2012; "Filipino Warship in Standoff with Chinese Boats," CBS News, April 11, 2012; Yunbi, "Protest Lodged at Harassment by Manila Ship."

8. The Chinese ships may have carried small arms. See Tordesillas, "Scarborough Shoal Again"; Jamandre, "China Sends Reinforcement in Standoff with PH Navy"; Martinson, "From Words to Actions," 16.

9. Some sources stated that Secretary del Rosario met with Ambassador Ma on Tuesday night; others claimed it was actually President Aquino. "Philippine Warship in Standoff with China Vessels," *Guardian*, April 10, 2012; "PHL Navy in Standoff with Chinese Surveillance Ships in West PHL Sea," *GMA News*, April 11, 2012; "PNoy: PH, China Will Avoid 'Violence,'" *Rappler*, April 11, 2012.

10. Martinson, "From Words to Actions," 15.

11. Landingin and Hille, "Philippines and China in Naval Standoff"; Jamandre, "China Sends Reinforcement in Standoff with PH Navy."

12. It probably flew from a base in Guangzhou to Woody Island in the Paracel Islands, refueled, and flew again to Scarborough. See "CMS—China Marine Surveillance," *Global Security*, March 4, 2014; "Delicate Balance Shifts at Panatag Shoal with Return of Chinese Ship," *GMA News*, April 14, 2012.

13. "DFA, Navy Officials Confirm Standoff between PHL and Chinese Ships," *GMA News*, April 11, 2012; "PNoy: PH, China Will Avoid 'Violence,'" *Rappler*; Floyd Whaley, "Diplomatic Resolution Sought in South China Sea Standoff," *New York Times*, April 11, 2012.

likely heeding a Chinese threat from February, when two former ambassadors warned that Beijing would “certainly react” if Manila directly involved Washington in their maritime dispute.¹⁴

In Beijing, a foreign ministry spokesperson denounced the Philippines’ “harassment” of China’s fishermen as a violation of Chinese sovereignty. The Chinese embassy in Manila declared that the two China Marine Surveillance ships were tasked with “safeguard[ing] Chinese national maritime rights and interests” and again demanded that the Philippines withdraw. Philippine chargé d’affaires Alex Chua was also summoned to the Chinese foreign ministry (the Philippines did not have an ambassador in Beijing at the time). Yet Beijing also indicated an interest in de-escalation, emphasizing “the overall situation of Sino-Philippine friendship.”¹⁵

On April 12, the Philippines demilitarized its presence at Scarborough Shoal. The BRP *Gregorio del Pilar* was replaced by the BRP *Pampanga*, a 540-ton Philippine Coast Guard search and rescue vessel armed only with heavy-caliber machine guns. China did not immediately reciprocate this effort to reduce tensions. In fact, the FLEC 303, a 1,000-ton Fisheries Law Enforcement Command patrol ship, sporting a deck-mounted gun, arrived just as the BRP *Gregorio del Pilar* departed, seemingly rejecting Manila’s gesture.¹⁶ Alternatively, this deployment could have been preplanned or a reaction to poor messaging from Manila. For several days, the Philippines was unwilling to admit publicly that it had withdrawn its warship as a diplomatic concession, instead citing “operational” needs like refueling and provisioning.¹⁷ Statements that the BRP *Pampanga* would be “backing us up in the area” and would “show our presence” caused confusion in the media over whether Manila was sending a reinforcement or just a replacement.¹⁸ Philippine officials also reacted mildly to the FLEC 303’s arrival, with Lieutenant General Alcantra telling reporters to “relax.” It is possible the Philippines acceded to a Chinese demand that it match Manila’s “gunship” with one of its own.¹⁹

Secretary del Rosario met with the ambassador again on the morning of April 13. Del Rosario stated the two sides had reached an agreement to maintain the status quo and avoid escalation. He hoped to resolve the standoff that night in a second meeting. The foreign secretary said

14. Jerry E. Esplanada, “Ex-Chinese Envoys to Philippines: Keep U.S. Out,” *Philippine Daily Inquirer*, February 24, 2012; “DFA: No Need to Ask U.S. Help in Panatag Standoff, for Now,” *GMA News*, April 12, 2012; “PNoy: PH, China Will Avoid ‘Violence,’” *Rappler*; Carmela Fonbuena, “Aquino Legacy: Defying China,” *Rappler*, July 14, 2015.

15. Cheng, “China to PH: Stop Illegal Acts, Leave Scarborough,” *ABS-CBN News*; Jamandre, “China Sends Reinforcement in Standoff with PH Navy”; Liu Weimin, “MFA Spokesperson Liu Weimin’s Regular Press Conference” (press conference, Ministry of Foreign Affairs, Beijing, April 11, 2012).

16. “PH Pulls Out Warship in China Standoff,” *Rappler*, April 12, 2012; Jamandre, “China Sends Reinforcement in Standoff with PH Navy.”

17. Andreo Calonzo, “PHL’s Biggest Warship Leaves Panatag Shoal, Replaced by Smaller Boat,” *GMA News*, April 12, 2012; “PNoy: Departure of Chinese Fishing Vessels ‘De-Escalates’ Panatag Standoff,” *GMA News*, April 16, 2012.

18. Jamandre, “China Sends Reinforcement in Standoff with PH Navy.” Notice the difference of interpretation in other reports: “Second Philippine Ship Sent in China Standoff,” *Inquirer Global Nation*, April 12, 2012; “Philippines Warship in Standoff with Chinese Vessels,” *Philippine Star*, April 11, 2012; Mogato, “Manila Summons China’s Envoy over South China Sea Standoff.”

19. Calonzo, “PHL’s Biggest Warship Leaves Panatag Shoal”; “DFA: No Need to Ask U.S. Help in Panatag Standoff, for Now,” *GMA News*; Weimin, “MFA Spokesperson Liu Weimin’s Regular Press Conference” (April 11, 2012).

Ambassador Ma had informed him that the CMS 75 was leaving for “another mission” and that the FLEC 303, which “would look into the alleged violations of the Chinese fishing boats,” had only come to replace it.²⁰ This explanation was likely meant to be a face-saving compromise for both parties. Manila could claim Beijing recognized that Chinese fishermen had acted illegally (e.g., poaching) while China could avoid subjecting its fishermen to foreign law enforcement.

Phase II: Standoff Ensues When Initial Negotiations Fail

Unfortunately, negotiations broke down on April 13 over the status of the Chinese fishermen. When the CMS 75 withdrew, so too did several fishing vessels with their catch still on board. Speaking the next day, del Rosario maintained that Manila was willing to let the vessels go, but had simply not agreed to let them depart without turning over their illegal haul. Conversely, Lieutenant General Alcantra stated the withdrawal was “a result of the negotiations,” and Secretary Gazmin noted that China was probably trying to “ease the tension.” Del Rosario may have been again trying to deflect domestic criticism by denouncing China as duplicitous.²¹

The FLEC 303 escorted the rest of the fishermen out later that evening, leaving only the Philippines’ BRP *Pampanga* and China’s CMS 84 at Scarborough Shoal.²² However, negotiations ended without any final resolution. The Chinese ambassador insisted that the Philippines reciprocate China’s prior de-escalation by withdrawing the Philippines’ last ship first. Manila refused, and del Rosario publicly declared a “stalemate.” The military promised that the Philippine Coast Guard ship would not be leaving.²³

China’s CMS 75 returned to the shoal shortly after. This was either an independent decision to reinforce the unarmed CMS 84 following the breakdown in diplomatic talks, or a response to the Philippines’ announcement the same day that it was sending a second Philippine Coast Guard ship to “back up” the BRP *Pampanga*.²⁴ A Filipino media group also erroneously accused Beijing of escalating the crisis by swapping out its “surveillance vessels” for “law enforcement ships” armed with deck guns.²⁵

20. “DFA: 1 of 3 Chinese Vessels in Panatag Shoal Standoff Leaves,” *GMA News*.

21. “Statement of Foreign Secretary Albert F. del Rosario on the Scarborough Shoal Issue,” *GMA News*, April 14, 2012; Kimberly Jane Tan, “AFP: Three Chinese Fishing Boats No Longer in Panatag Shoal,” *GMA News*, April 13, 2012; D. J. Yap, “Fishing Boats Gone from Shoal but One Chinese Ship Remains,” *Philippine Daily Inquirer*, April 14, 2012; Dona Z. Pazzibugan and Jerry E. Esplanada, “China to Philippines: Quit Scarborough Shoal,” *Philippine Daily Inquirer*, April 18, 2012.

22. The Chinese embassy in Manila also released a position paper on Chinese claims to Scarborough Shoal. Embassy of the PRC in the Republic of the Philippines, “Some Basic Facts on China’s Sovereignty over Huangyan Island,” April 13, 2012; see also Yap, “Fishing Boats Gone from Shoal but One Chinese Ship Remains.”

23. “Statement of Foreign Secretary Albert F. del Rosario,” *GMA News*; “China Urges the Philippines to Jointly Address South China Sea Confrontation,” *Xinhua*, April 13, 2012; “AFP: Remaining Chinese Fishing Boats Leave Panatag Shoal, but Survey Ship Stays,” *GMA News*, April 14, 2012.

24. In fact, the ship did not arrive until April 16—a curiously long time to travel 200 miles to Scarborough Shoal—and it was again only a replacement, not a reinforcement. Rosemarie Francisco, “Beijing-Manila Standoff Deadlocked Even as Ships Leave,” *Reuters*, April 13, 2012; “Philippines, China Work to Ease Shoal Standoff,” *Global Nation Inquirer*, April 13, 2012; Andreo Calonzon, “AFP Official: Situation at Panatag Shoal ‘Stable’ as Another Coast Guard Ship Arrives,” *GMA News*, April 16, 2012.

25. These journalists misinterpreted an English-language summary of a Chinese press conference. See “With One Ship Apiece, PHL and China in ‘Stalemate’ in Panatag Shoal,” *GMA News*, April 14, 2012; Weimin, “MFA Spokesperson Liu

In response, del Rosario accused Ma of violating an agreement they apparently made to “commit no surprises” before their next meeting. Manila further censured Beijing after a Y-12 again conducted reconnaissance over Scarborough Shoal. Chinese law enforcement vessels also reportedly “harassed” a Filipino archeological ship conducting surveys near Scarborough, the M/Y *Saranggani*, over the weekend. Sidestepping Ambassador Ma on April 15, the Philippine chargé d’affaires in Beijing informed Vice Foreign Minister Fu Ying that Manila never agreed to permit the fishing boats to depart with their illegal catch.²⁶

Chinese officials noted positively that the situation had “eased somewhat,” but also that any remaining tensions were due to the Philippines’ harassment of Chinese fishermen and violation of Chinese sovereignty. Beijing admitted to applying pressure on the M/Y *Saranggani* and called for its removal, arguing it was engaged in “illegal salvage archaeology” on an ancient Chinese shipwreck. The Chinese embassy stated that the China Marine Surveillance ships would not leave as long as the Philippine Coast Guard stayed.²⁷ Chinese media further announced that another 500-ton Fisheries Law Enforcement Command ship, the FLEC 44601, had departed China to patrol the Spratly Islands.²⁸

In the meantime, Chinese defense minister Liang Guanglie gave an important speech underscoring the military’s commitment to serve the Chinese Communist Party. He called on his colleagues to “use the military with carefulness, gauge the situation when using the military, and use the military according to the law.” This was probably a manifestation of factional politics within the Chinese leadership. Chongqing party secretary Bo Xilai, with whom Defense Minister Liang had a close relationship, had just been purged, and pressure was starting to mount on the security chief, Zhou Yongkang. In the interpretation of one analyst at the time, the Scarborough Shoal standoff was effectively distracting President Hu Jintao and Premier Wen Jiabao from their task of dealing with Bo and Zhou—perhaps complicating Chinese diplomacy.²⁹

On April 16, the Philippines and the United States kicked off their annual “Balikatan” bilateral military exercise. More than 4,000 U.S. and 3,000 Filipino troops and sailors participated. Both President Aquino and a U.S. military spokesperson dismissed any connection between the exercises and the Scarborough Shoal standoff. Indeed, Philippine military sources claimed Washington made unilateral changes at the last minute to avoid antagonizing Beijing. This included a blackout on certain exercises—such as retaking an oil rig and amphibious landings—that had been open to the

Weimin’s Regular Press Conference” (April 11, 2012).

26. “Delicate Balance Shifts at Panatag Shoal with Return of Chinese Ship,” *GMA News*; Paterno Esmaguél II, “China Shows Off Force in Panatag Shoal,” *Rappler*, April 14, 2012; “PHL Files 2nd Diplomatic Protest as China Bullies Research Boat,” *GMA News*, April 16, 2012; Andreo Calonzo, “China Refuses to Bring Panatag Shoal Dispute with PHL to Int’l Court,” *GMA News*, April 19, 2012.

27. Liu Weimin, “MFA Spokesperson Liu Weimin’s Regular Press Conference” (press conference, Ministry of Foreign Affairs, Beijing, April 16, 2012); “China Urges Philippines to Withdraw All Vessels from Huangyan Island,” *Xinhua*, April 17, 2012; Andreo Calonzo, “China Wants PHL Archeological Vessel out of Panatag Shoal,” *GMA News*, April 17, 2012.

28. Zhang Yunbi, “Tension Builds up over Manila’s Maritime Dispute,” *China Daily*, April 19, 2012.

29. “Control of Chinese Regime’s Armed Forces Raised by Dispute with Philippines,” *Epoch Times*, May 3, 2012; Jamil Anderlini, “Bo Ally Gives Up China Security Roles,” *Financial Times*, May 13, 2012.

press in past years.³⁰ China likewise limited its criticism of the event, perhaps to avoid provoking U.S. intervention.³¹

A second Philippine Coast Guard ship, the BRP *EDSA II*, took over for the BRP *Pampanga* at the shoal the same day. Lieutenant General Alcantra reported that Filipino fishermen were still entering and exiting Scarborough normally without harassment.³² Senior Chinese and Philippine diplomats met again that afternoon. Manila filed a second diplomatic protest over the harassment of its archeological ship and the Chinese trawlers' failure to turn over their wares. Both sides publicly stated afterward that no breakthroughs were achieved.³³

In a significant reversal of strategy, the Philippines then announced on April 17 that it would seek international arbitration of the Scarborough Shoal dispute. Manila would request that relevant international bodies "ascertain which of us . . . has sovereign rights over the waters surrounding the Scarborough Shoal." The president's office, Secretary del Rosario, and Secretary Gazmin all publicly endorsed the decision.³⁴ Manila then released a position paper rejecting China's arguments, stating that the Philippines had long exercised sovereignty over Scarborough. The paper also claimed Philippine jurisdiction over nearby waters on the basis of the archipelago's exclusive economic zone.³⁵ Meanwhile, the civilian archeological ship yielded to Chinese pressure and withdrew from the vicinity of the shoal (Alcantra asserted that it had merely completed its work).³⁶

Beijing promptly rejected Manila's attempt to "internationalize" the dispute. The Chinese foreign ministry stated that "there is no question" of referring the dispute to an international body since China possessed full ownership over the shoal and its "adjacent waters." Vice Foreign Minister Fu summoned the Philippine chargé d'affaires once again, urging Manila to "fulfill its promise" and "honor its commitment" to withdraw its ship from Scarborough. She also demanded that Manila not "take any more measures that would worsen the situation" at Scarborough. The Chinese embassy argued the Philippines was violating "the consensus we reached" to settle the incident through bilateral negotiations. Like the Philippines, Chinese officials were probably exaggerating

30. Al Labita, "U.S. Wades into China-Philippine Standoff," *Asia Times*, April 24, 2012; Whaley, "Philippines and China in a Standoff at Sea"; Floyd Whaley, "U.S.-Philippine War Games Start amid China Standoff," *New York Times*, April 16, 2012; David Yu Stantos, "War Games Not vs. China," *Rappler*, April 16, 2012; Redempto D. Anda, "U.S. Imposed Media Ban on Balikatan to Avoid Riling China," *Inquirer Southern Luzon*, April 29, 2012.

31. See Weimin, "MFA Spokesperson Liu Wuimin's Regular Press Conference" (April 16, 2012); "Philippine-U.S. Joint Military Exercise Kicks off in Manila," *Xinhua*, April 16, 2012; Wang Chenyan, "U.S. Begins Military Exercises with Philippines," *China Daily*, April 17, 2012.

32. Calonzo, "AFP Official: Situation at Panatag Shoal 'Stable.'"

33. Andreo Calonzo, "Still 'No Breakthrough' in Panatag Shoal Talks—Chinese Official," *GMA News*, April 16, 2012; "PHL Files 2nd Diplomatic Protest as China Bullies Research Boat," *GMA News*.

34. "Palace Backs DFA's Position to Bring Panatag Issue to International Court," *GMA News*, April 17, 2012; Andreo Calonzo, "PHL to Take Panatag Shoal Dispute with China to International Court," *GMA News*, April 17, 2012; Katherine Evangelista, "PH Defense Chief Sees No Need for U.S. Help vs. China," *Inquirer Global Nation*, April 17, 2012.

35. See Philippine DFA, "Philippine Position on Bajo de Masinloc and the Waters in Its Vicinity."

36. "PHL Archeological Vessel Leaves Panatag Shoal," *GMA News*, April 19, 2012; "China Deploys Gunboat: Lone Coast Guard Vessel Hanging Tough at Panatag Shoal," *Philippine Daily Inquirer*, April 20, 2012.

any “promises” made during their bilateral negotiations. Alternatively, Philippine observers accused Ambassador Ma of relaying false information to her superiors in Beijing.³⁷

On April 19, Prime Minister Yingluck Shinawatra of Thailand, which has no maritime or territorial disputes with China, completed her first state visit to Beijing. In return for several economic cooperation agreements, she heaped public praise on China as “a responsible and constructive partner of ASEAN,” “engine of growth,” and vital to “peace, stability, and economic prosperity in the region.” Chinese media observers contrasted Thailand’s neutrality in the South China Sea disputes to the oppositionist model of the Philippines. They publicly welcomed Bangkok’s approach as an example for the rest of ASEAN to follow.³⁸ Soon after, China would release 21 Vietnamese fishermen detained since March. Some observers saw divide-and-conquer tactics, while others believed it was unrelated—just part of the normal life cycle of confrontations and arrests in the South China Sea.³⁹

The same day, Manila declared it intended to bring Scarborough Shoal to international arbitration unilaterally even in the face of Chinese opposition. The Philippine energy department also announced that it would continue hydrocarbon exploration in disputed offshore areas like Reed Bank despite tensions. On the other hand, the government reported that Filipino fishermen were now avoiding Scarborough voluntarily. While the Chinese embassy publicly urged the Philippines to drop the arbitration bid and return to “friendly consultations,” Xinhua disclosed that China had dispatched its fastest Fisheries Law Enforcement Command vessel, the 2,600-ton FLEC 310, from Guangzhou the previous morning. Differing accounts reported 3 to 10 Chinese fishing vessels returning to Scarborough around the same time.⁴⁰

The FLEC 310 replaced the CMS 84 at Scarborough Shoal on April 20. In contrast to prior deployments, the FLEC 310 was equipped with a deck gun, heavy machine guns, and light helicopters. The Philippines criticized this new deployment as another violation of the two sides’ agreement to exercise restraint. Furthermore, a Chinese security expert reported that PLA Navy warships were now positioned over the horizon from the shoal. Allegedly, they were keeping China’s law enforcement vessels at Scarborough within missile range for protection and as an implicit threat to use force if necessary. No other sources have ever verified this report; Manila, however, was

37. Liu Weimin, “MFA Spokesperson Liu Weimin’s Regular Press Conference” (press conference, Ministry of Foreign Affairs, Beijing, April 18, 2012); “China Summons PH Diplomat over Dispute,” *Rappler*, April 18, 2012; “China Summons Manila Diplomat over Sea Dispute,” Xinhua, April 18, 2012; Gloria Jane Baylon, “China Rules Out ITLOS Role in Scarborough Shoal,” *InterAksyon*, April 19, 2012.

38. Zhou Wa, “China’s ASEAN Role Wins Praise,” *China Daily*, April 17, 2012.

39. “China Patrol Ship Reaches Waters off Huangyan Island,” Xinhua, April 20, 2012; Marianne Brown, “Naval Exchange Stirs Troubled Waters in South China Sea,” *Voice of America*, April 22, 2012.

40. Calonzo, “China Refuses to Bring Panatag Shoal Dispute with PHL to Int’l Court”; Kimberly Jane Tan, “DOE: PHL-China Dispute Won’t Affect Oil, Gas Explorations,” *GMA News*, April 19, 2012; “China Deploys Gunboat: Lone Guard Vessel Hanging Tough at Panatag Shoal,” *Philippine Daily Inquirer*; “PHL Execs to Pinoy Fishermen: Stay Away from Panatag Shoal for Now,” *GMA News*, April 20, 2012; Zhang Yunbi and Qiu Quanlin, “Manila’s Attempt to Internationalize Dispute Rejected,” *China Daily*, April 19, 2012; “China Sends Second Boat to Standoff with Philippines,” *Voice of America*, April 18, 2012.

definitely using a similar strategy. It was keeping the BRP *Gregorio del Pilar* stationed nearby at Poro Point, threatening to send it back if the situation worsened.⁴¹

The confrontation at sea also bled into cyberspace. On April 21, the website of the state-owned University of the Philippines was defaced by Chinese hackers. Filipino hackers retaliated by vandalizing the homepages of Chinese media, hotels, government agencies, and universities. The Philippine government promptly censured the illegal behavior of both groups. China, on the other hand, neither condoned nor condemned the hacking activities, which some saw as a missed opportunity for Beijing to help build international rules of the road for cyberspace. These types of cyber intrusions continued over the course of the standoff.⁴²

On April 22, the Philippines and the United States further “internationalized” the standoff. Secretary del Rosario issued a public appeal to ASEAN to “take a stand” on the Sino-Philippine dispute. Among other reasons, he cited Southeast Asia’s common interests in “freedom of navigation and unimpeded commerce” in the face of Chinese encroachment.⁴³ Washington also weighed into the dispute for the first time, albeit in a limited and maybe not preapproved manner. During a press conference, the commander of U.S. Marine Corps Forces Pacific took a Filipino reporter’s question about the applicability of the U.S.-Philippines Mutual Defense Treaty to the present crisis. Lieutenant General Duane Thiessen answered with deliberate ambiguity that the treaty “guarantees that we get involved in each other’s defense and that is self-explanatory.” The United States clearly had not yet decided to intervene decisively in support of its ally.⁴⁴

Possibly responding to this threat of escalation, China made one more attempt at conciliation. It appears to have been made in good faith, but was misread or ignored by Manila. On April 23, the Chinese embassy announced that two Chinese ships had been withdrawn to “prove” Beijing’s commitment to “de-escalating the situation.” These were the CMS 84 (relieved on April 20) and the FLEC 310 (withdrawn the previous evening on April 22). This left only the 1,100-ton CMS 71 at the shoal (which relieved the CMS 75 at some point). This announcement was highly publicized in Chinese state media. Commenting on the move, the Chinese foreign ministry indicated that it was intended to demonstrate China’s readiness “to settle this incident through friendly diplomatic negotiations.”⁴⁵

41. Paterno Esmaguél II, “Scarborough Standoff Back to Square One?,” *Rappler*, April 24, 2012; “China Patrol Ship Reaches Waters off Huangyan Island,” *Xinhua*, April 20, 2012; “China-Philippines Dispute Is a Battle of Wills, Say Scholars,” *Want China Times*, April 22, 2012; Kimberly Jane Tan, “DFA: Deployment of Chinese Patrol Ship Might Violate PHL-China Pact on Panatag Shoal,” *GMA News*, April 20, 2012.

42. See “Philippine Deploys 2 More Warships to Scarborough Shoal, Urges Other Countries against China,” *International Business Times*, April 23, 2012; “‘Chinese’ Hackers Deface UP Website—Report,” *Rappler*, April 20, 2012; Adam Segal, “China-Philippines Hacking War: A Missing Opportunity for Beijing?,” *Asia Unbound*, Council on Foreign Relations, May 10, 2012; “PNA Site Hacked Anew; Hackers ‘Plant’ Chinese Flag on Page,” *GMA News*, May 10, 2012; “DPM Website Hacked,” *Rappler*, April 25, 2012; “Chinese Hackers Target Philstar Website,” *Inquirer.net*, May 4, 2012; “Palace Websites Targeted by Suspected Chinese Hackers,” *GMA News*, April 23, 2012; Patrick Goodenough, “China, Russia Insist That Their First, Formal Joint Naval Maneuvers Not Aimed at Anyone,” *CNS News*, April 23, 2012.

43. “PH to Other Nations: Take a Stand on China,” *Rappler*, April 22, 2012.

44. “U.S. Commander Reaffirms Philippines Defense Treaty,” *Rappler*, April 22, 2012.

45. PRC State Council, “China De-Escalates Situation in Huangyan Island by Withdrawing Two Vessels,” press release, April 23, 2012; Paterno Esmaguél II, “Will Vessels’ Pullout Ease Tension?,” *Rappler*, April 24, 2012.

Manila, however, rejected Beijing's apparent overture as a lie. Philippine officials reported that the FLEC 310 was actually still stationed eight nautical miles southeast of the BRP *Pampanga* (which had relieved the BRP *EDSA II* the previous night). The remaining CMS 71 was likewise said to be "out of sight" four miles southeast of the FLEC 310 and engaged in "tactical positioning." How Manila gained this information is unclear; it admitted only "assuming" the FLEC 310 was there despite making "no visual contact" with it. Still, even these accounts suggest China did actually remove all of its cutters at least over the horizon. Although impossible to know with certainty, Beijing seems to have undertaken a unilateral de-escalation in order to prod Manila toward mutual withdrawal.⁴⁶ Perhaps due to confusion about China's movements at sea, the Philippines did not reciprocate and withdraw the *Pampanga*. Instead, it deployed a second 1,000-ton Bureau of Fisheries and Aquatic Resources ship, the MCS 3006, to the shoal. This ship anchored within Scarborough's lagoon in order to monitor the Chinese fishermen still present. Beijing responded to this escalation by issuing a diplomatic protest.⁴⁷

Manila then raised the possibility of substantial U.S. involvement for the first time. Officials announced that Secretaries del Rosario and Gazmin would "apprise" their U.S. counterparts of the situation at Scarborough during a 2 + 2 meeting on April 30. Manila said that it had not yet requested specific "technical or military assistance" from the United States.⁴⁸ President Aquino again called on ASEAN countries to take a stand against China. Secretary del Rosario meanwhile publicly called China a "threat" to the whole region. Chinese officials countered that third-party intervention would only exacerbate the dispute.⁴⁹

On April 25, the Philippines lodged a new diplomatic protest directly with the Chinese foreign ministry in Beijing, bypassing the embassy in Manila. It criticized Ambassador Ma for relaying "inaccurate" information to Beijing on her negotiations with Secretary del Rosario. The Philippines expressed concern over Chinese statements that Manila had broken a commitment to withdraw from Scarborough. A spokesperson from the Department of Foreign Affairs even claimed that Ma had already admitted to Philippine officials that "there was indeed [a] misunderstanding."⁵⁰ The Chinese embassy responded with "shock" and demanded that Manila treat its ambassador with "the proper courtesy." Vice Foreign Minister Cui Tiankai meanwhile called on Washington again to

46. Jerry E. Esplanada, "Shoal Face-Off: 1 PH Coast Guard Vessel vs. 4 Chinese Vessels," *Philippine Daily Inquirer*, April 23, 2012; Chichi Conde and Jaime Sinapit, "Aquino: 3 PH Vessels to Stay in Scarborough as a 'Show of Flag,'" *InterAksyon*, April 23, 2012; "China Won't Be Allowed to Conquer Scarborough, Says Military Official," *Global Nation Inquirer*, April 24, 2012.

47. Christine O. Avendano and D. J. Yap, "Aquino: These Are Our Waters; But President Says Dispute Has to Be Settled Soon," *Philippine Daily Inquirer*, April 24, 2012; "China Makes 'Solemn Representations' to Philippines," *Xinhua*, April 24, 2012.

48. "PH to Discuss Sea Dispute with U.S.," *Pinoy Weekly*, April 24, 2012; Andreo Calonzo, "PHL Officials to Discuss Panatag Shoal Issue with U.S. Counterparts," *GMA News*, April 23, 2012.

49. "PNoy Warns Neighbors about China," *Rappler*, April 24; David Dizon, "DFA: Dispute Shows China's Threat to Other Nations," *ABS-CBN News*, April 23, 2012.

50. Paterno Esmaguél II, "Don't Lie to Beijing, DFA Tells Chinese Embassy," *Rappler*, April 25, 2012; "PHL: Chinese Envoy in Manila Relaying 'Inaccurate' Info to Beijing," *GMA News*, April 25, 2012.

not take sides in the dispute. That night, Chinese aircraft were once again spotted over Scarborough Shoal conducting reconnaissance.⁵¹

Phase III: Manila Seeks U.S. Help While China Escalates

On April 26, Manila definitively stated for the first time that it would seek direct U.S. support in the standoff. Secretary del Rosario said that he and Secretary Gazmin hoped to “maximize the benefits to be derived out of this Mutual Defense Treaty” in Washington. Asked if he wanted U.S. intervention at Scarborough Shoal, del Rosario explained that Manila wanted help “in general,” and Gazmin stated that Scarborough was one of “many other issues” to be discussed. Aquino’s office admitted that direct U.S. backing was “still up in the air.” Indeed, at the closing ceremony of the Balikatan exercises, U.S. ambassador to the Philippines Harry Thomas, Jr. made no reference to the ongoing crisis and only touched on the Mutual Defense Treaty in passing. Del Rosario was also reluctant to formally ask ASEAN to take a stance on the dispute, yet believed that his counterparts “sympathize[d] with what is happening.”⁵² Reacting to these comments, a Chinese defense spokesperson laid down a clear threat of military escalation. The ministry announced that the PLA Navy could be called on to “make joint efforts” with civilian agencies at Scarborough Shoal if necessary. Some Chinese media asserted that many officials were privately demanding “more resolute moves to punish Manila.”⁵³

On the morning of April 28, the FLEC 310 returned and challenged the BRP *EDSA II* as it was relieving the BRP *Pampanga*. The Chinese ship sped directly toward the vessels before suddenly veering away, creating a two-meter wave that struck the vessels. Neither ship was damaged. Nor did they respond in kind—in line with President Aquino’s “overriding instructions” to the military “not to escalate the issue.” The FLEC 310 then sailed away again beyond line of sight from the shoal.⁵⁴ A Chinese spokesperson admitted that the vessel was on patrol in the area but denied any accusation of “bullying.” The next day, the CMS 75 returned to the vicinity of the shoal as well, positioning itself 11 nautical miles from the BRP *EDSA II*. This brought the balance to three Chinese and two Philippine ships.⁵⁵

51. “China: Armed Forces to ‘Safeguard’ Marine Rights,” *GMA News*, April 27, 2012; Liu Weimin, “MFA Spokesperson Liu Weimin’s Regular Press Conference” (press conference, Ministry of Foreign Affairs, Beijing, April 26, 2012); “Gun-Ho! U.S. Ignores Warnings from China to Stage War Games Exercise with Philippine Forces in Disputed Waters,” *Daily Mail*, April 25, 2012; Cui Haipei, “Beijing Urges Restraint in S China Sea,” *China Daily*, April 26, 2012; Christine O. Avendano and Jerry E. Esplanada, “16th Day: 2 PH Vessels, 2 China Ships Still at Shoal,” *Philippine Daily Inquirer*, April 27, 2012.

52. Pia Lee-Brago, “Philippines to Seek U.S. Help,” *Philippine Star*, April 26, 2012; “Miriam: PHL Can’t Count on Quick U.S., ASEAN Support over Maritime Row,” *GMA News*, April 29, 2012; D. J. Yap, “U.S. Envoy Mum on Philippine-China Standoff,” *Philippine Daily Inquirer*, April 27, 2012.

53. “Manila Going Too Far,” *China Daily*, April 27, 2012; “Chinese Army to Safeguard National Marine Rights,” Xinhua, April 26, 2012; Jojo Malig, “Chinese Army General Calls for ‘Decisive Action’ against the Philippines,” *ABS-CBN News*, April 28, 2012.

54. Jerry Esplanada, “PH to ‘Stand Ground’ in Scarborough Shoal,” *Philippine Daily Inquirer*, April 29, 2012; “Philippines Plays Down Chinese Military Threat,” *Rappler*, April 29, 2012; D. J. Yap, “Filipino Fishers Return to Scarborough Shoal amid Chinese Presence,” *Philippine Daily Inquirer*, April 30, 2012.

55. “Philippines’ ‘Bully’ Claim Sheer Subjective Assumption: Chinese Spokesman,” Xinhua, April 29, 2012;

Filipino fishing boats then joined Chinese fishing vessels operating in the lagoon for the first time. Northern Luzon Command chief Alcantra denied charges that Manila had encouraged Filipino fishermen to enter the shoal. At the time, he reiterated the Philippine military's willingness to back up the coast guard if the dispute escalated. Meanwhile, Beijing issued a formal rejection of Manila's arbitration invitation. It also continued to ratchet up the pressure at sea. On April 30, three new Chinese fishing boats and one China Marine Surveillance ship, the CMS 81, joined the renewed standoff at Scarborough. This brought China's total to 14 vessels (four government and 10 fishing ships) against Manila's five (two government and three or four fishing ships). As of May 2, the Chinese vessels were 13.6 (CMS 71), 11.9 (CMS 81), 8.3 (FLEC 310), and 3.3 (CMS 75) nautical miles away the BRP *EDSA II*, respectively.⁵⁶

Meanwhile, Secretary of Defense Leon Panetta and Secretary of State Hillary Clinton met their Philippine counterparts in Washington on April 30 for the allies' first-ever "2 + 2" meeting. Among other subjects, they discussed the evolving regional security situation, "including recent tensions surrounding Scarborough Shoal." Publicly, the U.S. side reaffirmed its obligations under the Mutual Defense Treaty as well as its opposition to the threat or use of force. The United States also noted its support for a "collaborative diplomatic process"—that is, using multilateral or international mechanisms to resolve disputes rather than bilateral negotiations. Panetta and Clinton maintained the U.S. policy of neutrality on the underlying sovereignty dispute and stopped short of explicitly endorsing the Philippines' arbitration bid. Secretary Gazmin, on the other hand, said his U.S. counterparts had agreed to help with the case.⁵⁷

Critically, U.S. officials did not clarify whether the Mutual Defense Treaty covered the Philippines' offshore claims, nor did they promise any direct U.S. intervention. Instead, the United States would help the Philippines establish a "minimum credible defense posture" in terms of its maritime capabilities, presence, and domain awareness. Washington pledged to provide more "real-time information" in the South China Sea using U.S. intelligence, surveillance, and reconnaissance assets; double its foreign military financing to \$30 million; transfer defense equipment such as a second *Hamilton*-class cutter; and hold more maritime security exercises with the Philippines. Manila was clearly hoping for more assistance than it received, yet senior U.S. officials were apparently frustrated with the Philippines' management of the standoff. Gazmin said the Philippines would also seek help "from other international partners." U.S. officials were later reported to be assisting Manila in talks to obtain defense equipment from South Korea, Japan, and Australia.⁵⁸

56. "AFP: 4 More Chinese Vessels Now in Panatag Shoal," *GMA News*, May 2, 2012; Paterno Esmaguell II, "China Sends More Ships to Scarborough," *Rappler*, May 2, 2012; Dona Z. Pazzibugan, "14 Chinese Vessels Now at Panatag Shoal, Says AFP," *Philippine Daily Inquirer*, May 3, 2012; Dona Z. Pazzibugan and Jerry E. Esplanada, "DND: Ignore Chinese War-Mongering," *Philippine Daily Inquirer*, May 1, 2012; Yap, "Filipino Fishers Return to Scarborough Shoal amid Chinese Presence"; Esplanada, "PH to 'Stand Ground' in Scarborough Shoal."

57. Hillary Clinton et al., "Remarks with Secretary of Defense Leon Panetta, Philippines Foreign Secretary Albert del Rosario, and Philippines Defense Secretary Voltaire Gazmin after Their Meeting" (remarks, U.S. Department of State, Washington, DC, April 30, 2012); U.S. Department of State, "Joint Statement of the United States-Philippines Ministerial Dialogue," press release, April 30, 2012.

58. "PH, U.S. Agree to Build Maritime Defense," *Rappler*, May 1, 2012; Matthew Pennington, "Philippines Seek U.S. Help to Build Its Military," *Irrawaddy*, May 3, 2012; Gopal Ratnam, "U.S. to Aid Philippines' Defenses amid China Conflicts," *Bloomberg Business*, May 4, 2012.

In response to the 2 + 2 meeting, Chinese media expressed appreciation for continued U.S. neutrality on sovereignty claims but also hostility toward U.S. interference in regional security matters. Many Chinese netizens mocked their government's supposed lack of resolve in the dispute.⁵⁹ Taiwan also reacted strongly to the consultations. Apparently, it feared that Washington was aligning with Manila to the detriment of Taipei's claims. Three Taiwanese legislators and several top military officials flew to Itu Aba, with legislator Lin Yu-fang telling reporters, "The visit was aimed at reiterating Taiwan's territorial claim over the Spratlys." Foreign Minister Timothy Yang also submitted a report to the Legislative Yuan calling the Philippines' claim to Scarborough Shoal "illegal." The defense ministry even announced the formation of an "airborne fast response and maritime support" unit for the South China Sea.⁶⁰

Sino-Philippine tensions next entered the economic arena. On May 3, the president of the Filipino Banana Growers and Exporters Association, Stephen Antig, announced that a shipload of Philippine bananas had been rejected at Chinese ports. According to Chinese authorities, the bananas had failed quarantine tests, which supposedly discovered the presence of *Aonidiella comperei*, a type of pest usually found only in coconuts. Beijing was said to be considering even stricter controls. China's General Administration of Quality Supervision, Inspection, and Quarantine informed Manila that it had found 104 types of "harmful organisms" in Philippine imports. Beijing had the technical right to impose such restrictions and in the past had legitimate health inspection concerns about Philippine imports. China imposed a similar quarantine on Philippine mangos in China in 2009. These measures were eventually lifted in 2011 after Manila took action to improve quality control.⁶¹

In this 2012 case, China took initial steps toward the quarantine a few weeks before outbreak of tensions over Scarborough Shoal. According to the Philippine director of the Bureau of Plant Industry at the Department of Agriculture, Beijing notified Manila by March 12 at the latest about the presence of mealybugs in its banana exports. At the time, this warning was directed at only one Japanese conglomerate operating in Mindanao and did not result in quarantine measures. Philippine inspectors argued they found the pests only in coconuts, not bananas. China then asked the Philippines for a list of accredited banana growers and exporters before eventually beginning the quarantine in early May.⁶²

Security experts suspected that China was using the fruit quarantine as a tool of economic coercion over Scarborough Shoal. This perception continued for the rest of the standoff. This weapon

59. "U.S. to Help Philippines on Maritime Security," *CCTV.com*, May 1, 2012; Zhao Shengnan, "U.S. Won't Take Sides in Dispute," *China Daily*, May 2, 2012; Wang Wenwen, "Washington Leaving Manila with Mangled Strategy," *Global Times*, May 2, 2012; "Sun Tzu's Art of . . . Quilt Folding?," China Media Project, May 2, 2012.

60. Paterno Esmaque II, "Taiwan to PH, China: Scarborough Is Ours," *Rappler*, May 2, 2012; Andreo Calonzo, "Taiwan Enters Shoal Dispute, Calls PHL Claim 'Illegal' while Silent on China," *GMA News*, May 2, 2012; "Taiwan Sets Up Airborne Unit for Spratlys," *ABS-CBN News*, May 2, 2012.

61. Andrew Higgins, "In Philippines, Banana Growers Feel Effect of South China Sea Dispute," *Washington Post*, June 10, 2012; "PHL Eyes Alternative Markets for Fruits If China Will Keep Blocking Their Entry," *GMA News*, May 14, 2012; "China's New Complaint about Bugs in PHL Fruits Puzzles Agriculture Exec," *GMA News*, May 16, 2012.

62. Dennis Jay Santos, "Banana Exports to Be Hit by Scarborough Dispute—Industry Insider," *Inquirer Mindanao*, May 3, 2012; "China's New Complaint about Bugs in PHL Fruits Puzzles Agriculture Exec," *GMA News*.

was particularly lethal because the Philippine banana industry was heavily reliant on China. Indeed, a full quarter of its exports went to the Chinese market. Bananas were the Philippines' largest agricultural export after coconuts at the time. The sector earned over \$720 million a year and employed some 240,000 workers. The Department of Agriculture and other agencies quickly took up the issue with the Chinese. House minority leader Danilo Suarez and other Philippine legislators even called for a retaliatory boycott or high tariff against Chinese-made goods. Yet officials and business leaders ultimately recognized they had little economic leverage in an asymmetric trade relationship. China accounted for 15 percent of total Philippine exports, making the risk of a spiral of economic retaliation intolerably high for Manila.⁶³

With economic pressure seemingly building, Manila expressed its hope that the Scarborough dispute would not affect the overall Sino-Philippine relationship. Philippine leaders insisted that the two countries should "have a political discussion on one side" and "commercial issues on another side." Domestic pressure, however, quickly mounted at the prospect of serious economic fallout. On May 7, Vice Minister Fu summoned Philippine chargé d'affaires Chua and warned that "it is hard to be optimistic" about the dispute. Fu urged the Philippines to withdraw its vessels from Scarborough and never again impede the work of Chinese fishing or coast guard vessels. She advised that China had "made all preparations to respond to any escalation."⁶⁴

On May 8, Manila announced a "new diplomatic initiative" that included offering China joint development at nearby Reed Bank. Even President Aquino publicly endorsed the idea, despite having resisted similar proposals for years. China, not the Philippines, was actually responsible for proposing this initiative; Philex Petroleum chairman Manuel V. Pangilinan said he had received a formal invitation from the China National Offshore Oil Corporation while in Beijing the previous week. Manila simultaneously invited the Federation of Filipino-Chinese Chambers of Commerce and Industry to invest in Philippine offshore oil and gas development projects like the one at Reed Bank.⁶⁵ China indicated it was willing to explore such ideas. At this time, Manila reportedly re-started official talks with Ambassador Ma.⁶⁶

63. Joel D. Adriano, "Sinophobia Gains Ground," *Asia Times*, May 8, 2012; "PHL Banana Experts Leaving for China," *GMA News*, May 15, 2012; Santos, "Banana Exports to Be Hit by Scarborough Dispute"; "China's New Complaint about Bugs in PHL Fruits Puzzles Agriculture Exec," *GMA News*; "Boycott Chinese Goods—U.S. Pinoys," *Rappler*, July 16, 2012; Randy David, "The Call to Boycott Chinese Products," *Philippine Daily Inquirer*, July 19, 2012; Camille Dioala, "DFA: Boycott on China Goods Not Official," *Philippine Star*, June 23, 2015.

64. Embassy of the Philippines to Norway, "Government to Assist Filipino Banana Exporters Having Problems Entering Chinese Market," press release, May 7, 2012; Wang Zhaokun, "China Blames Manila for Complicating Island Spat," *Global Times*, May 8, 2012; Zhang Yunbi, "Third Representation over Island Dispute," *China Daily*, May 8, 2012; "China Prepared for Escalation of Island Dispute," Xinhua, May 8, 2012.

65. "Tenssyon sa Panatag Shoal" (Tension at Panatag Shoal), *GMA News*, May 8, 2012; "Philippine, China Firms Discuss South China Sea Gas Project," Reuters, May 8, 2012; Ariel Zirulnick, "China Blames the Philippines for South China Sea Dispute," *Christian Science Monitor*, May 8, 2012; Michaela del Callar, "PHL Urges Fil-Chinese to Invest in Offshore Energy Projects," *GMA News*, May 11, 2012.

66. The last known negotiations in Manila had taken place on April 16. "PHL, China Resume Talks in Manila to End Month-Long Standoff," *GMA News*, May 10, 2012; Hong Lei, "MFA Spokesperson Hong Lei's Regular Press Conference" (press conference, Ministry of Foreign Affairs, Beijing, May 8, 2012).

Tensions continued nevertheless. Scheduled long in advance, anti-China protests took place on May 11 at Chinese diplomatic posts in the Philippines and around the world. Some 1,000 attended at rallies in Manila itself. Beijing accused the Philippine government of encouraging the protests by “enflaming public opinion” in the Philippines and the diaspora. Aquino’s office denied having a hand in the protests and stationed hundreds of police officers near the Chinese consulate to ensure its safety. At the same time, the government nevertheless expressed support for the protesters’ “patriotism” and right to freedom of expression.⁶⁷

Just before these demonstrations, on May 9 the Chinese embassy issued a safety alert for all Chinese nationals in the country.⁶⁸ The next day, major Chinese travel agencies canceled trips to the Philippines for as many as 500 Chinese tourists. Companies like Ctrip.com, Beijing International Travel Service, Nanhu Travel Agency, the state-owned China Youth Tourism Service, and the Shanghai Tourism Bureau also refused to accept new bookings. These measures were said to be for the tourists’ own safety due to “strong anti-China sentiment” in the Philippines. The China National Tourism Administration later announced that nearly all Chinese tourists would leave the Philippines by May 16. China Southern Airlines, one of three major carriers, also halved the number of its daily flights to Manila.⁶⁹

The Chinese Ministry of Foreign Affairs is typically responsible for advisories or travel bans, but in this case, nothing was issued other than the embassy’s safety alert. Philippine officials suspected the cancellations were spreading by “word of mouth.” The president’s office expressed disappointment in the drop in tourism but downplayed its effect on Philippine industry (at only 9 percent of the market). Manila also dismissed the possibility that China intended this unofficial travel ban to be an instrument of economic coercion. Chinese state media, on the other hand, cited anonymous “Chinese tourism industry insiders” who hoped the suspension would convince the Philippines to become more friendly toward China.⁷⁰ Others have suggested Chinese distrust of the Philippines’ capacity to meet public safety concerns were influenced by the memory of the tragic 2010 Manila hostage crisis, the bungling of which had resulted in the deaths of eight Hong Kong tourists. Not only China, but also Taiwan sent safety advisories to residents and chambers of commerce in the Philippines at this time.⁷¹

67. “China Warns Citizens Ahead of Manila Protests on Friday,” Reuters, May 9, 2012; “Save the Date, Says Global Filipino Group: May 11, Pinoys to Rally in Chinese Embassies Worldwide,” *InterAkysyon*, April 26, 2012; Amita O. Legaspi, “PHL Government Says It Has No Hand in Anti-China Protests,” *GMA News*, May 11, 2012.

68. “Embassy Issues Safety Alert in Philippines,” *China Daily*, May 9, 2012; “Philippines on Alert over Anti-China Protest, Beijing Frets,” Reuters, May 10, 2012.

69. “China Air Carrier Cuts Number of Flights to PHL amid Territorial Row,” *GMA News*, May 16, 2012; Kimberly Jane Tan, “VP Binay: No Reports of Harassment vs. OFWs in China,” *GMA News*, May 14, 2012; “PHL Travel Agencies Want Tensions with China Resolved,” *GMA News*, May 10, 2012; Zhang Yunbi, “Trips Canceled over Manila Protest Fears,” *China Daily*, May 10, 2012; Damien McElroy, “Chinese Media Warns of War with Philippines,” *Telegraph*, May 10, 2012.

70. Michaela del Callar, “DFA’s del Rosario: No China Ban on Travel to PHL, Just Advisory,” *GMA News*, May 11, 2012; “Travel Agencies Suspend Travel to Philippines,” Xinhua, May 10, 2012; Hong Lei, “MFA Spokesperson Hong Lei’s Regular Press Conference” (press conference, Ministry of Foreign Affairs, Beijing, May 10, 2012).

71. “Taiwanese in PHL Urged to Keep Safe at Anti-China Protests in Manila,” *GMA News*, May 11, 2012.

Chinese maritime tactics also continued to escalate. On May 9, a large number of “utility boats”—dinghies stored aboard larger fishing vessels—began entering the shoal. A PLA Navy military academic later described these craft in a television interview: “Fishermen go [to Scarborough Shoal] in large ships and then sail small boats in the lagoon to fish.”⁷² The addition of 23 of these ships doubled the total number of Chinese ships. The local Philippine government reported that Chinese ships had barred Filipino fishermen from entering the lagoon for the first time, harassing them with powerful floodlights. Manila, however, denied these reports, noting that five Filipino fishing vessels were still inside the lagoon.⁷³

The number of larger Chinese craft dropped slightly from four to three coast guard (the CMS 71 appears to have left) and seven fishing ships. At this time, the BRP *EDSA II* (having relieved the BRP *Pampanga*) moved 7.1 nautical miles (nm) southeast of the shoal. The MCS 3001 (replacing the MCS 3006) was now 1.6 nm northeast of South Rock still within the lagoon. Chinese government vessels seem to have all been positioned inside the shoal. The CMS 75 was said to be 3.5 nm southeast of North Rock (8.1 northeast of the BRP *EDSA II*). The CMS 81 was also 1.04 nm and the FLEC 310 8.4 nm southeast of the same reference point.⁷⁴

On the same day, Japanese and Taiwanese media began tracking the movements of a flotilla of five Chinese warships conducting exercises halfway between Taiwan and the main Philippine island of Luzon. The naval group included the Type 052B guided missile destroyers *Guangzhou* and *Wuhan*, the Type 054A frigates *Yulin* and *Chaohu*, and the 18,000-ton Type 071 landing platform dock *Kunlun Shan*. The latter carried a reinforced battalion of 800 marines, landing craft, and helicopters. Aquino’s office made no comment on these exercises, which the Taiwanese Ministry of National Defense called “routine.” Several days later, China announced that the FLEC 303 had again been dispatched for patrols in the region.⁷⁵ The United States also had forces in the area. The USS *North Carolina* attack submarine docked in Subic Bay May 13–19 for “supply replenishment and maintenance.” Manila denied any connection to the Scarborough Shoal standoff, stating that a U.S. request was made earlier on April 3.⁷⁶

The Chinese quarantine of Philippine fruit imports escalated through mid-May. China began quarantining all Philippine banana imports, resulting in wholesale spoiling while the shipments sat in customs. These stricter procedures were then extended to pineapples and papaya as well. By May 12, 1,500 containers were held up in Chinese ports. However, Manila refrained from officially accusing China of using economic coercion, calling it a simple “regulatory” issue. Agricultural officials said they were trying to address Beijing’s concerns. Chinese quarantine officials were invited to visit growing areas and packaging facilities in Mindanao. A Philippine Department of

72. “China Boasts of Strategy to ‘Recover’ Islands Occupied by Philippines,” *China Daily Mail*, May 28, 2013.

73. “China, PHL Continue Trading Cautionary Remarks on Scarborough Shoal,” *GMA News*, May 9, 2012; “DFA: Chinese Ships Not Barring Pinoy Fishermen from Panatag Shoal,” *GMA News*, May 10, 2012.

74. Dona Z. Pazzibugan, “32 Chinese Ships in Shoal, Bar Filipino Fishers,” *Philippine Daily Inquirer*, May 9, 2012.

75. J. Michael Cole, “Taiwan Monitors Chinese Naval Moves,” *Taipei Times*, May 10, 2012; “PHL Ready for Chinese Cyber Warfare, Malacañang Says,” *GMA News*, May 20, 2012; “China: ‘Foreign’ Violators of Fishing Ban Face ‘Punishments,’” *GMA News*, May 18, 2012.

76. Amita O. Legazpi, “Palace: U.S. Sub’s Presence Not Show of Support for PHL,” *GMA News*, May 17, 2012.

Agriculture representative and two quarantine officers also visited Chinese ports. Still, officials said they were “puzzled” by China’s import restrictions because no other importer had reported similar problems. Manila announced that in the future it would try to reduce its dependence on the Chinese market. In the immediate term, these efforts proved ineffective due to “severe price haggling” from other foreign buyers.⁷⁷

Manila next decided to remove its own civilian fishermen from the standoff in another effort to defuse tensions. Since 1999, Beijing has unilaterally imposed an annual fishing ban between May 16 and August 1 in the South China Sea north of the 12th parallel.⁷⁸ On May 14, Secretary del Rosario said that although the Philippines did not recognize the legality of China’s fishing ban, this year Manila would issue its own. On May 16, the Philippines announced a fishing ban for the same time frame as China’s over much of the Philippines’ claimed exclusive economic zone. This included Scarborough Shoal. Del Rosario framed the decision as a routine administrative move planned long before the standoff. Other officials explicitly acknowledged the potential diplomatic value. At this time, another Philippine fisheries vessel was dispatched to the South China Sea to monitor the compliance of Filipino fishermen.⁷⁹

In addition, President Aquino appointed special envoys to China on May 18. These were veteran banker Cesar Zalamea and Filipino-Chinese business leader Domingo Lee. Aquino wanted Zalamea to seek out Chinese investors among his extensive contacts and Lee to win the support of the Filipino-Chinese business community, as well as attract Chinese tourists back to the Philippines. A Chinese foreign ministry spokesperson welcomed these appointments.⁸⁰ The Philippine president also personally intervened to discourage a Filipino ex-marine from undertaking a “patriotic voyage” to Scarborough.⁸¹ It is unclear whether all of these initiatives were part of restarted bilateral negotiations between the Philippine foreign ministry and the Chinese embassy. Manila may have simply been hoping Beijing would reciprocate.

Yet even as Chinese authorities warned away foreign fishermen, they permitted Chinese fishermen to flaunt the ban and continue fishing at Scarborough. A government spokesperson was adamant that Chinese trawlers at the shoal were somehow exempt from China’s own moratorium. Concurrently, China’s total maritime presence reached an apex during the week of May 21. Positioned in and around the shoal were approximately 97 Chinese vessels: 5 government, 16 fishing, and 76 small utility ships. These unfavorable odds made the Philippines hesitant to send back its fishermen despite China’s double standard (the Philippine fisheries agency said this inertia was simply

77. “Palace Sees No Link between China’s Barring of PHL Bananas with Territorial Row,” *GMA News*, May 12, 2012; “PHL Eyes Alternative Markets for Fruits If China Will Keep Blocking Their Entry,” *GMA News*, May 14, 2012; “China’s New Complaint about Bugs in PHL Fruits Puzzles Agriculture Exec,” *GMA News*; “Price Haggling Mushes PHL Search for New Banana Markets,” *GMA News*, July 5, 2012.

78. In the past, Chinese authorities had used fines, license revocations, confiscations, and criminal charges against foreign and domestic violators. “Vietnam Opposes Chinese Fishing Ban in Disputed Sea,” *Reuters*, May 18, 2015.

79. “PHL Won’t Recognize China Fishing Ban in West Philippine Sea,” *GMA News*, May 14, 2012; “DFA Seeks Business Sector Boost in Tiff with China as BFAR Imposes Fishing Ban,” *GMA News*, May 16, 2012.

80. “China Hopeful Two New PHL Envoys to Help Fix Strained Ties,” *GMA News*, May 18, 2012.

81. “China Goes on ‘High Alert’ in Panatag Shoal over Ex-Marine Captain’s ‘Patriotic Voyage,’” *GMA News*, May 19, 2012.

due to the upcoming monsoon season).⁸² Chinese officials argued that their deployments were “corresponding measures to strengthen management and control” given Philippine actions. One reason for China’s continued escalation may be that despite other conciliatory moves, the Philippines was still attempting to win international support for its arbitration case. On May 24, Secretary del Rosario spoke before the UN General Assembly in New York to call for international “mediation” of the dispute.⁸³

Phase IV: New Talks Lead to Some De-escalation

With the situation worsening, President Aquino began relying on a diplomatic backdoor: Philippine senator Antonio Trillanes IV. The president had reportedly lost confidence in the approach led by Secretary del Rosario, so Aquino empowered Trillanes (who had deep connections in China) to be his personal negotiator in Beijing. The existence, importance, and identity of this back channel was not revealed to the public until months after the end of the standoff. Senator Trillanes met with Chinese government representatives 16 times between May and July. These negotiations included Vice Foreign Minister Fu as well as a Chinese military intelligence officer posted in Manila. Given personal animosity between Senator Trillanes and Secretary del Rosario, the Department of Foreign Affairs was not immediately informed about the nature of these talks or otherwise involved. The foreign secretary allegedly even threatened to resign his post after learning his authority had been usurped to such an extent.⁸⁴

These informal negotiations quickly yielded important, if mixed, results. On May 26, the total number of Chinese ships deployed at Scarborough declined from 97 to 60 and then to 35 the next day. Only 6 government, 12 fishing, and 17 utility boats remained. Manila also announced Chinese quarantine measures had been lifted after a joint inspection of banana exports by Chinese and Philippine quarantine officers. President Aquino later publicly credited Senator Trillanes with securing both of these Chinese de-escalations.⁸⁵ Yet the numerical decline in Chinese ships mostly came from the withdrawal of utility boats. Giving equal coercive weight to coast guard cutters and small fishing dinghies distorts analysis of Chinese behavior. More important is that the next few weeks saw a continued gradual increase in Chinese government vessels deployed around Scarborough. On May 28, Philippine defense secretary Gazmin met Chinese defense minister Liang for the highest-level bilateral meeting of the standoff on the sidelines of an ASEAN Defense Ministers’

82. The Bureau of Fisheries and Aquatic Resources director cited the upcoming monsoon season only. “BFAR Not Keen on Lifting PHL Fishing Ban amid China’s Muscle-Flexing,” *GMA News*, May 24, 2012; “China: ‘Foreign’ Violators of Fishing Ban Face ‘Punishments,’” *GMA News*.

83. “Beijing: Chinese Fishermen Complying with Fishing Ban at Disputed Shoal,” *GMA News*, May 24, 2012; “DFA: Mediation Can End Dispute in West PHL Sea,” *GMA News*, May 24, 2012.

84. Peter Lee, “America’s Scarborough Shoal *Dolchstoss*,” *Asia Times*, July 15, 2014; “Chinese Military Officer Helped Trillanes in Backdoor Job—Enrile,” *GMA News*, September 24, 2012; Gil C. Cabacungan, “Aquino’s Back Channel to China Is Trillanes,” *Philippine Daily Inquirer*, September 19, 2012; Rigoberto D. Tiglao, “Trillanes: DFA Chief to Blame for Spratly Mischief,” *Manila Times*, April 24, 2015.

85. “DFA: Fewer Chinese Vessels Seen in Panatag,” *GMA News*, May 29, 2012; “Palace Exec: PHL Moving on from Banana Row with China,” *GMA News*, May 27, 2012; Cabacungan, “Aquino’s Back Channel to China Is Trillanes.”

Meeting in Cambodia, Liang warned Gazmin that the Philippines “should be discreet in both words and deeds” if it wanted to resolve the crisis peacefully.⁸⁶

While President Aquino traveled abroad for consultations in the United Kingdom and United States, the Philippines and China negotiated an initial withdrawal from Scarborough’s inner lagoon. On June 1, Aquino had threatened to seek the support of Prime Minister David Cameron by raising the Scarborough issue in light of the two nations’ common interest in freedom of navigation. Yet on June 4, all Philippine and Chinese government vessels reportedly departed the shoal’s lagoon and took up new positions outside the coral rim. There were now a total of 8 Chinese government ships and 2 Philippine government ships outside the shoal, along with 30 Chinese trawlers and dinghies inside. Philippine officials indicated these moves were “the result of evolving negotiations.”⁸⁷ Consequently, President Aquino did not seek an overt statement of British support for the Philippines. As a gesture of “goodwill” to Beijing, Aquino told the media he would no longer “drum up international support for our cause at this point in time, just to provide the best environment for a solution to the entire issue.” He also noted he mentioned Scarborough Shoal to Cameron “only in passing.”⁸⁸

In an aide memoire on his back-channel talks, Senator Trillanes stated that some U.S.-brokered negotiations with China had occurred before this first withdrawal. It is unclear whether these are the final negotiations between Assistant Secretary Kurt Campbell and Vice Foreign Minister Fu Ying (to be described in detail below). According to Trillanes, on June 4 Secretary del Rosario unilaterally ordered the withdrawal of Philippine vessels from Scarborough’s lagoon. China’s vessels did not immediately reciprocate. Del Rosario then informed President Aquino that Beijing had violated an agreement brokered by Washington for a simultaneous disengagement. Yet, when Aquino contacted Trillanes to demand an explanation, the senator apparently knew nothing of any such agreement. On the contrary, he and his Chinese interlocutors had been discussing a sequential withdrawal. The mouth of the shoal was supposedly too narrow for a simultaneous exit. Trillanes questioned why del Rosario had withdrawn the Philippine vessels first if the withdrawal was supposed to be simultaneous; according to Trillanes, Aquino shared his incredulity. The Philippine senator later accused Secretary del Rosario of deliberately seeking to derail his back-channel negotiations. As noted already, sooner or later China’s coast guard vessels did actually withdraw from inside the lagoon. President Aquino reportedly then reached out to Senator Trillanes again. Aquino informed him that Manila would soon withdraw its vessels from the shoal entirely and “directed [Trillanes] to ask Beijing to reciprocate.”⁸⁹

On June 6, President Aquino and others traveled to the United States for high-level meetings. The Philippine delegation briefed President Barack Obama on “regional developments,” including the

86. “China Vows to Ensure National Sovereignty,” *China Daily*, May 31, 2012.

87. Amita Legaspi, “Issues on West Philippine Sea to Be Discussed in PNoy’s Visit to UK, U.S.,” *GMA News*, June 1, 2012; “Two Chinese Govt Ships, PHL Vessel Withdraw from Panatag Shoal,” *GMA News*, June 5, 2012; White House, “Remarks by President Obama and President Aquino of the Philippines after Bilateral Meeting,” press release, June 8, 2012.

88. Paterno Esmaque II, “Aquino’s Softened Tone on Scarborough,” *Rappler*, July 21, 2012; “PNoy Didn’t Ask for UK Help over West PHL Sea Dispute,” *GMA News*, June 7, 2012.

89. Rigoberto D. Tiglao, “Congress Should Probe Aquino, Trillanes, and del Rosario,” *Manila Times*, June 28, 2015.

situation in the South China Sea. Obama and Secretary Clinton in turn reaffirmed the United States' commitment to the Philippines under the Mutual Defense Treaty and support for "a rules-based solution for keeping the peace." Washington also reiterated a promise to increase the number of bilateral exercises and training programs, help the Philippines build a minimum credible defense posture, and transfer a second U.S. Coast Guard cutter to the Philippines. Neither U.S. nor Philippine sources disclosed whether any new promises of U.S. support were made during these meetings. On June 8, however, Aquino thanked Obama for "all the expressions of support and even the help that has led to the resolution of certain issues within our part of the world"—indicating U.S. involvement in negotiations over Scarborough. On June 11, a Chinese aircraft conducted yet another overflight of the shoal.⁹⁰

On the evening of June 15, the Philippines ordered its two government vessels to withdraw from Scarborough Shoal and "restock" at Zambales Bay. Manila initially maintained that the ships were retreating from an approaching typhoon, but on June 17, a spokesperson proclaimed that the Chinese vessels were also expected to withdraw as part of a mutual "agreement."⁹¹ There are two sharply contrasting accounts of the contents and context of this arrangement.

The conventional wisdom is that the United States brokered a Sino-Philippine agreement for a mutual withdrawal, which China then violated. U.S. government insiders have circulated this narrative to various media outlets in the years following the standoff. According to published material, the U.S. assistant secretary of state for East Asian and Pacific affairs, Kurt Campbell, met with Chinese vice foreign minister Fu Ying in "a hotel in southern Virginia" sometime in early June. During these negotiations, Campbell proposed a mutual, simultaneous withdrawal of Chinese and Philippine coast guard vessels from Scarborough Shoal. Supposedly, Fu Ying agreed to these terms definitively. In recently released e-mail correspondence from June 2012, Jake Sullivan, a top adviser to Secretary Clinton, affirmed the view that China made "commitments to 'de-escalate' over Scarborough," and that the United States in turn "put a lot of pressure on the [Philippines] to step back." When the Philippines followed through on June 15, supposedly China then reneged on its prior commitment and kept its ships at the shoal in a deliberate "stab in the back."⁹²

On the other hand, a second version of events holds that Fu Ying only committed to relaying Assistant Secretary Campbell's suggestion to her superiors in Beijing. For at least some of those present at these negotiations, it was actually not obvious whether the two sides had actually reached a deal, nor what its terms were. According to this narrative, Beijing never actually signed

90. White House, "Statement on the President's Meeting with President Aquino of the Philippines," press release, June 8, 2012; White House, "Remarks by President Obama and President Aquino of the Philippines after Bilateral Meeting"; "Palace Mum on Fate of Panatag Shoal Dispute after PNoy-Obama Meeting," *GMA News*, June 10, 2012; "President Obama's Bilateral Meeting with President Aquino of the Philippines," *YouTube* video, posted by "The White House," June 8, 2012.

91. "PHL Ships Restock near Panatag Shoal," *GMA News*, June 22, 2012; "Palace: China Expected to Pull Ships out of Shoal after Exit of PHL Boats," *GMA News*, June 17, 2012.

92. Ely Ratner, "Learning the Lessons of Scarborough Reef," *National Interest*, November 21, 2013; Geoff Dyer and Demetri Sevastopulo, "U.S. Strategists Face Dilemma over Beijing Claim in South China Sea," *Financial Times*, July 9, 2014; Jake Sullivan, e-mail to Hillary Clinton, June 17, 2012, available at <http://graphics.wsj.com/hillary-clinton-email-documents>.

on to a simultaneous, mutual withdrawal. Communication errors then multiplied after the U.S. ambassador to the Philippines told Secretary del Rosario that Beijing had given definitive assurances. When the Chinese ships remained, President Aquino called Senator Trillanes, who had been kept in the dark about these negotiations. When Trillanes contacted his Chinese interlocutors, they informed him, "There was never a commitment for a total pullout." Instead, they said the Chinese government needed two days to issue a face-saving statement before relaying a back-to-port order to relevant agencies. China would then "gradually pull out" two ships per day until all eight of its government vessels now stationed at the shoal had departed. It is unknown whether or how the terms of this sequential withdrawal were communicated to Washington or Manila. This may have led to even greater fumbling of expectations. The Philippines' public disclosure of the arrangement on June 17 was allegedly a deal breaker. Rather than be seen as compromising on China's territorial sovereignty after a long, aggravated standoff, the Chinese government felt forced to call off its withdrawal.⁹³

Phase V: Final Negotiations Fail to Restore Status Quo Ante

Regardless of the details, neither official nor back-channel negotiations ultimately succeeded in restoring the status quo ante: Philippine control of the shoal. On June 18, the Chinese foreign ministry denied knowledge of any agreement with Manila. A spokesperson, however, welcomed the Philippine withdrawal and said that a Chinese rescue ship, the *Nanhajiu* 115, would help Chinese fishermen who were evacuating the shoal due to inclement weather.⁹⁴ On June 21, Secretary Gazmin publicly expressed exasperation that Chinese ships still had not pulled out. He threatened to redeploy Philippine ships to Scarborough Shoal. President Aquino likewise warned he might order Philippine Air Force overflights of the area. The Chinese foreign ministry responded with consternation. Meanwhile, the U.S. ambassador to the Philippines continued to urge the parties to de-escalate. By June 22, Philippine government ships were restocked and ready to return to Scarborough if ordered.⁹⁵

On June 25, del Rosario stated that he had received intelligence that all Chinese vessels had departed Scarborough Shoal. If these reports are true, then China withdrew for at least one day. Other sources claimed that Chinese ships had been absent even longer. In any event, a Philippine Air Force reconnaissance flight the next day found 3 China Marine Surveillance ships and 2 Fisheries Law Enforcement Command ships still outside the lagoon and 6 fishing and 17 utility boats within.⁹⁶ Manila ultimately decided not to send its ships back to Scarborough despite this

93. Lee, "America's Scarborough Shoal *Dolchstoss*"; Peter Lee, "South China Sea Dispute: Rewriting the History of Scarborough Shoal," *Asia Times*, April 16, 2016; Ellen Tordesillas, "The Back Channels," *VERA Files*, September 20, 2015; Ellen Tordesillas, "Lessons from the Panatag Shoal," *GMA News*, June 25, 2012.

94. "China Sends Rescue Ship to Huangyan Island," *Xinhua*, June 18, 2012; Kimberly Jan Tan, "China Sends Vessel to Help Pull out Chinese Fishermen from Panatag Shoal," *GMA News*, June 18, 2012.

95. "Stop 'Influencing' Public Opinion, China Urges PHL," *GMA News*, June 22, 2012; "PHL Defense Chief: Redeploy Ships to Panatag, Keep China's Claim in Check," *GMA News*, June 21, 2012; "PHL Ships Restock near Panatag Shoal," *GMA News*.

96. "China Pulls Out All Its Vessels from Disputed Panatag Shoal—DFA," *GMA News*, June 25, 2012; Tiglao, "Trillanes: DFA Chief to Blame"; "Chinese Ships Back in Panatag Shoal—DFA," *GMA News*, June 26, 2012.

diplomatic failure. President Aquino later said on June 2 that he would invite Washington to conduct reconnaissance out of the Philippines to monitor Chinese activity in the region.⁹⁷

According to Senator Trillanes, on July 5 the Philippine cabinet met to discuss Manila's strategy before the upcoming ASEAN Foreign Ministers Meeting in Cambodia. In attendance, the senator told President Aquino that his Chinese back channel had again committed to withdrawing China's remaining vessels if the Philippines did not "internationalize the dispute" at the summit. Beijing also promised not to "put up any structure around the shoal." Yet most of the cabinet favored Secretary del Rosario's plan to push strongly for ASEAN support. Another Department of Foreign Affairs official, Henry Bensurto, claimed China had already strung a "rope" across the entrance of the shoal, although this was denied by another source saying it was just the "remnant of anchor ropes."⁹⁸ At the ASEAN summit on July 13, there was heated disagreement among regional states about whether to publicly criticize China's actions. The Philippines and Vietnam were reportedly in favor, while Laos and others were ambivalent. As host, Cambodia ultimately prevented the summit from issuing a joint communiqué—a first in ASEAN history.⁹⁹

On July 18, Manila claimed publicly that China had erected a barrier across the mouth of the shoal, consisting of a "long rope and fishing nets held by buoys from end to end" as well as several "Chinese dinghies" tied into them. This arrangement prevented the reentry of Filipino fishermen into the lagoon and convinced many to avoid the shoal altogether. A Philippine official noted, however, that China had agreed to remove the barrier after protests from Manila.¹⁰⁰ A Philippine reconnaissance flight in late July found that all Chinese fishing vessels had departed. Yet by August 2, the Philippine Coast Guard still observed the presence of a barrier (it was eventually removed), and by September three Chinese maritime law enforcement vessels remained near the shoal. The Chinese ships had also begun turning away Filipino fishermen. A Philippine Coast Guard spokesperson stated that they were on "standby" to send vessels back to Scarborough Shoal if ordered. However, Manila still claimed in public that stormy weather was preventing it from taking any direct countermeasures.¹⁰¹

Coupled with the outburst of tension over the Senkaku Islands in August 2012, Chinese officials have argued that the Scarborough Shoal standoff "sounded the bell" to quicken the pace their coast guard shipbuilding. China Marine Surveillance signed the first of several contracts in 2012 for

97. In February 2015, U.S. and Philippine military spokespersons admitted to having rotated U.S. P-3Cs and P-8s through the Philippines since 2012 for this purpose. Manuel Mogato and Stuart Grudgings, "Exclusive: Philippines May Ask for U.S. Spy Planes over South China Sea," Reuters, July 2, 2012; "U.S. Navy Says It Has Been Flying P-8 Reconnaissance Plans Out of Philippines," *Japan Times*, February 27, 2015.

98. Tiglao, "Trillanes: DFA Chief to Blame."

99. Michaela del Callar, "PHL Deplores ASEAN Conduct on Issuing Traditional Statement," *GMA News*, July 13, 2012.

100. Michaela del Callar, "DFA: China Boats Blocking PHL Vessels from Panatag Shoal," *GMA News*, July 18, 2012; Mia Reyes and Abigail Kwok, "Filipino Fishermen Not Venturing into Scarborough These Days," *InterAksyon*, July 18, 2012.

101. "Philippines Ready to Redeploy Ships to Scarborough Shoal—PCG," *Global Nation Inquirer*, September 12, 2012; Philip C. Tubeza and T. J. Burgonio, "China Ropes off Scarborough Shoal," *Philippine Daily Inquirer*, August 3, 2012; Jane Perlez and Steven Lee Myers, "In Beijing, Clinton Will Push for Talks over Disputed Islands," *New York Times*, September 3, 2012; Fat Reyes, "3 Chinese Government Vessels Spotted at Scarborough Shoal—DFA," *Global Nation Inquirer*, July 27, 2012; "3 Chinese Ships Seen in Scarborough," *ABS-CBN News*, September 12, 2012.

the addition of a variety of very large displacement (at least 3,000-ton) cutters to the fleet. By the end of the year, construction was also under way on 29 new wharfs capable of accommodating them.¹⁰²

Although the Aquino administration never admitted to losing Scarborough, by October former officials admitted that China had established “de facto control.”¹⁰³ Although Philippine government vessels never again physically contested China’s administration of the shoal, Manila continued to wield “weapons of the weak” like arbitration and the marshaling of international public opinion. In January 2013, Manila filed a Notification and Statement of Claim initiating arbitral proceedings against China under Article 287 and Annex VII of the UN Convention on the Law of the Sea. China formally rejected the legality of the Philippines’ pursuit of compulsory arbitration. Nevertheless, the court went ahead with appointing a five-member tribunal in June 2013 and found it had jurisdiction in October 2015.¹⁰⁴

Meanwhile, in December 2013, the Hainan Provincial People’s Congress passed a law requiring foreign fishing vessels to obtain Chinese permission before operating in a zone covering two-thirds of the South China Sea. The Philippine defense ministry reported that at least some Filipino fishermen were ignoring the regulations and continuing to travel to Scarborough. Manila stated that its navy would escort the fishermen to Scarborough if necessary, calling the law “a gross violation of international law.” However, Manila did not intervene the following month when Chinese ships fired powerful water cannons at Filipino fishermen operating there.¹⁰⁵

Beijing reportedly offered to pull its government vessels out of Scarborough once again in late January 2014 as a quid pro quo. In return, the Philippines would have to drop its arbitration case. According to Philippine government insiders, this proposal would have paired a complete mutual withdrawal with substantial Chinese economic investments in the Philippines. It came through “a lawmaker who acted as a backdoor negotiator”—perhaps Senator Trillanes. The Philippine cabinet ultimately rejected the plan. In March, Manila went ahead with filing a 4,000-page final submission to the arbitral tribunal.¹⁰⁶

While still in Chinese hands, Scarborough Shoal remains a potential flashpoint. In January 2015, a Chinese coast guard vessel rammed three Filipino fishing boats at the shoal after ordering them to leave the area. The Philippine Coast Guard stated that it had been receiving reports of Chinese ships once again driving away Filipino fishermen. In April, Chinese ships again used water cannons against Filipino fishing boats, boarded them, and dumped their catch. Philippine officials, including Secretary del Rosario, then raised concerns in August 2015 that China might build a military base

102. Martinson, “From Words to Actions,” 14–15.

103. Rouchelle R. Dinglasan, “China Has De Facto Control over Panatag Shoal, Says Former DFA Senior Official,” *GMA News*, October 6, 2012; “‘Is China an Enemy?’ Have We Lost Scarborough?,” *Rappler*, May 7, 2015.

104. Ian Forsyth, “A Legal Sea Change in the South China Sea: Ramifications of the Philippines’ ITLOS Case,” *China Brief* 14, no. 11 (2014); Carlos Santamaria, “China Rejects PH Arbitration Move,” *Rappler*, February 19, 2013.

105. The three harassed ships were the F/V *OG Barbie*, F/V *Ocean Glory 2*, and F/V *Ana Marie*. “PH Slams China for Ramming Vessels, Collecting Clams,” *Rappler*, February 5, 2015; Alexis Romero, “Pinoy Fishermen Defy New Chinese Fishing Rules in Panatag Shoal,” *Philippine Star*, January 26, 2014.

106. Paterno Esmaguél II, “China Offers PH ‘Carrot’ to Quit Case,” *Rappler*, February 26, 2014.

at Scarborough Shoal. Similar concerns have been raised by U.S. officials. As of late 2015, there is still no evidence of land reclamation or construction at this feature.¹⁰⁷

Conclusions

First, Manila's decision to dispatch its largest warship to arrest Chinese fishermen appears to have triggered the standoff. The Philippines had previously taken similar actions, arresting or otherwise intercepting Chinese fishermen with naval vessels, but the event took place at a time of heightened rivalry and increased Chinese capabilities relative to past incidents. It is unclear whether China would have responded differently if Manila had instead sent a coast guard vessel or if China Marine Surveillance vessels had not been on a routine patrol nearby. Yet, Beijing's early attempts at de-escalation suggest the crisis and ultimate outcome were not premeditated. The Philippines' decision to publish photographs of its sailors holding Chinese fishermen at gunpoint may also have contributed to China's assertive response.

Second, Beijing and Manila missed several opportunities for quickly resolving the crisis. Between April 12 and 13, the Philippines demilitarized its presence, and China withdrew its fishermen as well as all but one of its law enforcement vessels. Unfortunately, the two parties could not decide which side's last government ship should leave first. There was also poor internal coordination within Manila and between China's ambassador and maritime agencies. Another opportunity for disengagement occurred between April 20 and 23, when China apparently withdrew all of its coast guard cutter over the horizon away from the shoal. Manila did not reciprocate this unilateral de-escalation. Instead, it chose to deploy another ship of its own and continue calling for third-party intervention, probably unwisely.

Third, greater U.S.-Philippine coordination early in the crisis might have been beneficial to all parties, including China. The Philippine military's poor maritime domain awareness probably hampered decisionmaking in Manila. Evidence for this conclusion included Manila's confusion about the situation at sea. U.S. reconnaissance capabilities would have given the Philippines a clearer operational picture. Washington was hesitant to intervene in part due to frustration with Manila's crisis management. However, if handled delicately early on, the United States might have restrained the Philippines from militarizing the dispute, given Manila enough reassurance to take advantage of Chinese efforts to de-escalate, or helped placate Beijing's need to save face.

Fourth, there is mixed evidence that China quarantined Philippine fruit imports in 2012 as part of a deliberate effort at economic coercion. As with rare earths in 2010, Beijing originally complained that Philippine fruits were infected with pests weeks prior to outbreak of tensions over Scarborough. A third possibility is that Chinese leaders or customs officials took advantage of an existing situation; they may have accelerated or tailored a quarantine that was only partially justifiable in order to create additional leverage in the territorial dispute. Even if unintended, the perception of coercive intent exerted considerable pressure on the Philippines during the standoff. Manila's asymmetric economic vulnerability and inability to diversify away from the Chinese market in the

107. Allan Macatuno, "Chinese Ships Ram PH Fishing Boats," *Inquirer Central Luzon*, February 4, 2015; "China Defends Vessels' Actions against Philippines in South China Sea," Reuters, April 22, 2015; David Feith, "China's Next Sea Fortress," *Wall Street Journal*, August 3, 2015.

near term—coupled with China’s superior maritime presence—succeeded in pushing the Philippines toward accommodation.

Finally, although the ultimate outcome is clear, the full story of the final negotiations is still unknown. There are conflicting reports about whether Chinese officials actually agreed to a mutual withdrawal, under what conditions, and through which diplomatic channel. There was little coordination between the official negotiations involving the U.S. State Department and the Philippine back channel authorized by President Aquino. Manila apparently did not inform Washington about the role of Senator Trillanes. Regardless of the terms of any agreement, none of the negotiations succeeded in restoring the status quo ante. Chinese vessels either remained stationed at Scarborough Shoal or quickly returned. Neither the Philippines nor the United States chose to send vessels or aircraft back to the shoal once it became clear the Chinese were not leaving. These decisions amounted to a de facto transfer of control to Beijing.

CASE 4: SENKAKU ISLANDS NATIONALIZATION CRISIS (2012)

Figure 3.8. Japanese Coast Guard Patrols Uotsuri Island



Source: Al Jazeera English / Flickr / cc-by-sa-2.0.

Overview

In late 2011, nationalist Tokyo governor Shintaro Ishihara began negotiations to purchase three of the Senkaku Islands from their private owner, Kunioki Kurihara. The Japanese central government sought to prevent Ishihara from purchasing the islands and damaging relations with China. However, the September 2012 announcement of the Japanese government's intention to purchase the Senkakus itself led to a major increase in Chinese air, naval, and coast guard activity near the Senkakus. In addition to this diplomatic and military posturing, Chinese citizens protested the move in large demonstrations across the country. Concerned about growing tensions, the United States restated its treaty obligations to Japan and explicitly noted that the Senkakus were covered by Article V of the U.S.-Japan Security Treaty. Although tensions eventually decreased in late 2013, an elevated level of Chinese maritime activity in the East China Sea became routinized after Japan's 2012 nationalization decision and the ensuing crisis in bilateral relations.

BOX 3.4. Background on the Senkaku Islands Dispute

As detailed in Box 3.2, the Japanese central government annexed the Senkaku Islands in 1895. After erecting some sovereignty markers, the state leased land rights to Tatsushiro Koga, a private Japanese entrepreneur and resident of Okinawa who claimed to have first discovered and landed on the Senkakus in a private capacity in 1884.¹ Development went into full swing in 1897. “Koga Village” eventually featured over 200 settlers engaged in albatross feather collecting, the production of dried bonito fish flakes, and other economic activities. When Tatsushiro Koga died in 1918, his Senkakus business was passed down to his son, Zenji Koga, who purchased four of the islands (Uotsuri Island, Kubi Island, Kita Islet, and Minami Islet) from the Japanese government in the 1930s. By the end of the Second World War, however, the development project had failed, and the islets once again became uninhabited.²

Zenji Koga later sold the four features in his possession to another Japanese family, the Kurihara. By 2012, Kunioki Kurihara owned Uotsuri, Kita, and Minami, whereas the second largest island after Uotsuri, Kuba, was held by his sister, Kazuko Kurihara. The Japanese Ministry of Defense began renting Kuba Island from Kazuko Kurihara for an undisclosed amount in the 1970s, when it was last used by U.S. armed forces as a targeting range. The Japanese national government also came to wholly own the fifth and smallest main island, Taisho. In 2002, the Ministry of Internal Affairs and Communications gained a lease on Kunioki Kurihara’s three islands for about \$300,000 a year, reportedly to prevent their development or sale given diplomatic sensitivities with China and Taiwan.³ Disclosed later, the Japanese national government first began considering nationalizing them in 2004 and approached Mr. Kurihara with a proposal in 2006. At this time, however, Mr. Kurihara rejected the government’s offer of a like-kind exchange for real estate elsewhere in Japan.⁴

After the 1970s, the governments of China and Japan largely adhered to Chinese leader Deng Xiaoping’s *modus vivendi* and focused on managing the dispute rather than pressing or consolidating their sovereignty claims. Yet secondary nationalist groups and their bureaucratic allies still instigated periodic incidents. In 1978, the Japanese Ministry of Transport approved a nationalist group’s request to build a primitive lighthouse on Uotsuri Island (Figure 3.8). The Ministry of Foreign Affairs, however, revoked the license. In 1990, the Japanese Youth Federation then applied to have the lighthouse recognized by the Maritime Safety Agency (the predecessor of the Japan Coast Guard) as an official navigational marker. The transport ministry accepted the request, leading to demonstrations in Taiwan and an attempted landing by activists. Fearing damage to Japan-Taiwan relations, the Japanese prime minister’s office and the foreign ministry again overturned the Ministry of Transport’s decision. Beijing also came under criticism from domestic activists for trying to dampen nationalist outrage over the issue.⁵

Two years later, China included a reference to the Senkakus in its Law on the Territorial Sea and Contiguous Zone over the objections of its own Ministry of Foreign Affairs, leading to mutual recriminations with Japan. In the final incident of the decade, Japanese nationalists erected another lighthouse on Kita Islet in mid-1996. Tensions escalated when the group then landed on the island in September. Activists from both Hong Kong and Taiwan attempted landings in response, and one Chinese protester even died trying to swim ashore.⁶

1. Japanese MOFA, *Senkaku Island*, 6.

(continued)

BOX 3.4. (Continued)

2. "Koga Tatsuhiro's Development of the Senkaku Islands from 1884," OPRI Center for Island Studies, Sasakawa Peace Foundation, February 17, 2015.
3. "Ishihara Thumbs His Nose at the Central Government," *Asahi Shimbun*, April 18, 2012; Corey Wallace, "Ishihara Shintaro Proposes the Purchase of the Senkaku Islands," *Japan Security Watch*, April 16, 2012; "Tokyo Is Planning to Piss off China by Buying These Disputed Islands in the East China Sea," *Business Insider*, April 17, 2012; Mizuho Aoki, "Metro Government Raising Funds in Quest to Purchase Senkaku Islands," *Japan Times*, April 28, 2012; Jun Hongo, "Tokyo's Intentions for the Senkaku Islets," *Japan Times*, April 29, 2012; Antoni Slodkowski, "How Debts and Double-Dealing Sparked Japan-China Islets Row," Reuters, November 11, 2012.
4. Mure Dickie, "Tokyo Governor in Bid to Buy Disputed Islands," *Financial Times*, April 17, 2012; "Ishihara Thumbs His Nose," *Asahi Shimbun*; Slodkowski, "How Debts and Double-Dealing"; "Senkaku Snafu Laid to Broad Miscalculation," *Japan Times*, November 20, 2012.
5. Manicom, *Bridging Troubled Waters*, 46–48.
6. *Ibid.*, 48–51.

Timeline

	China	Japan	United States
Phase I: Tokyo governor enters talks with private owner			
Sep 2011		Owner approaches Tokyo	
Apr 2012		Governor announces preliminary agreement	
Phase II: National government weighs options			
Apr		Opposes Tokyo's plan	
May		Decides to nationalize	
Phase III: Announces intention to nationalize islands			
Jul		Openly considers nationalization	Warns Japan against nationalization
Aug	Hong Kong activists stage landing, protests	Activists stage landing	
Phase IV: Relations with China rapidly worsen			
Sep		Announces final purchase	
	Surges maritime patrols	Matches Chinese patrols	
	Increases East China Sea air and naval activity	Intercepts aircraft, but eschews more escalation	Reiterates U.S. treaty commitment to Japan
	Second wave of protests, boycotts, and sanctions		
Nov			Issues policy opposing any change in de facto control
Phase V: Gradual détente, but tensions remain elevated			
Oct 2013	Halves Senkaku patrols		
Apr 2014			President reaffirms Senkaku obligations
Sep–Nov	Resume consultations, reach limited agreement, and arrange leadership summit		

Incident Details

Phase I: Tokyo Governor Enters Talks with Private Owner

In late 2011, the right-wing governor of Tokyo, Shintaro Ishihara, entered into secret negotiations with the private Japanese owner of three of the Senkaku Islands, Kunioki Kurihara, to purchase the disputed territory for the municipality of Tokyo. Well known for ultranationalist statements and revisionist beliefs about Japan's imperial history, Ishihara had been trying to purchase the islands from the Kurihara family ever since he became a Lower House lawmaker in the 1970s. Governor Ishihara's last prior attempt was in 2010, when the landowner rebuffed him in part because the governor wanted to acquire the islands for his own personal use and development.¹ According to two associates, Kunioki Kurihara thought it would be "inappropriate" to sell the diplomatic powder keg to another private Japanese citizen and would only consider turning the land over to a public entity.

Yet by 2011, the Kurihara family was increasingly willing to sell. One factor was that China and Japan's dispute over the islands had become more acrimonious since the 2010 trawler collision. Other reasons included Kunioki Kurihara's crippling personal debt, having racked up \$19 million's worth of failed real estate ventures. Another member of the Kurihara family with an ownership stake in the Senkakus had also recently passed away, clearing a legal hurdle for Kurihara. As for Governor Ishihara, this time he was willing to pay cash and meet the condition that the islands be owned by Tokyo as a public entity, not Ishihara personally.²

Kunioki Kurihara approached his lawyer late that year to set up a conference with the Tokyo mayor. The two met at Kurihara's home in September and again in Tokyo in December, where they apparently reached a provisional, verbal agreement and shook hands. The owner, a self-professed admirer of the governor and his politics, also reportedly expressed interest in the islands being transformed "into a nature preserve, possibly in the form of a park that tourists could visit."³ Ishihara brought his eldest son, Nobuteru Ishihara, who was then secretary-general of the opposition Liberal Democratic Party, to at least one of these meetings. In March 2012, Governor Ishihara and Kurihara held a phone call on the purchase scheme. According to sources close to Ishihara, the governor asked if he could announce that the islands were being sold to Tokyo. The landowner reportedly gave the go-ahead, replying, "If you can take responsibility for the announcement, please do so."⁴

On April 16, Shintaro Ishihara was invited to give a talk at the Heritage Foundation in Washington, DC. In the middle of a meandering speech on the U.S.-Japan alliance and other topics, the governor

1. Mure Dickie, "Tokyo Governor in Bid to Buy Disputed Islands," *Financial Times*, April 17, 2012; "Ishihara Thumbs His Nose," *Asahi Shimbun*; Antoni Slodkowski, "How Debts and Double-Dealing Sparked Japan-China Islets Row," Reuters, November 11, 2012; "Senkaku Snafu Laid to Broad Miscalculation," *Japan Times*, November 20, 2012.

2. Hongo, "Tokyo's Intentions for the Senkaku Islets"; Slodkowski, "How Debts and Double-Dealing"; Takahiko Hyuga, "Owner of Islands Claimed by China to Talk Price with Tokyo," *Bloomberg Business*, April 18, 2012; Yoshitaka Unezawa, "Ishihara, Citing Chinese Moves, Plans to Buy Senkaku Islands," *Asahi Shimbun*, April 17, 2012; Masami Ito, "Owner OK with Metro Bid to Buy Disputed Senkaku Islands," *Japan Times*, May 18, 2012.

3. Hongo, "Tokyo's Intentions for the Senkaku Islets."

4. Slodkowski, "How Debts and Double-Dealing"; "Senkaku Snafu," *Japan Times*; "Inside Look: Japan Tried but Failed to Avert Disaster in China Dispute," *Asahi Shimbun*, September 26, 2012.

suddenly announced that Tokyo intended to purchase Kunioki Kurihara's three Senkaku islands. The city government confirmed the plan the next day. In a statement citing the governor, Tokyo said it had obtained approval to buy the territories through a "basic agreement" with the landowner and planned to submit a proposal to the metropolitan assembly by the end of December. Officials boasted about having received numerous supportive calls from the Japanese public. They announced that the city would solicit voluntary donations throughout the country to help foot the bill for the purchase.⁵

Kurihara's lawyer soon confirmed that he was in talks with Tokyo over the islands and was "open to the possibility" of selling them. The two parties had not reached a final decision, however, and had yet to discuss the territories' market value, which Kurihara's company estimated at up to nearly \$500 million. Governor Ishihara, on the other hand, stated that the price would "not be very large." Regardless, no sale could take effect until the current lease with the Ministry of Internal Affairs and Communication expired in March 2013.⁶

Shintaro Ishihara had a variety of objectives in announcing his plan to purchase the islands. First, he had a principled disagreement with the ruling Democratic Party of Japan's policy toward China. The governor criticized Beijing's "more and more aggressive" approach toward the Senkakus dispute and called its occasional dispatch of coast guard vessels there "halfway to a declaration of war." The governor was also critical of the Japanese foreign ministry's handling of the 2010 fisheries incident. Now, Ishihara attacked Prime Minister Yoshihiko Noda's administration for its unwillingness to purchase the islands itself or permit the construction of lighthouses and other aids to Japanese fishermen. In his public statements, Ishihara suggested that the urgency of China's maritime threat and the inadequacy of Prime Minister Noda's strategy to confront it had finally pushed him to take matters into his own hands. Ishihara stated that he would "do whatever it takes to protect our own land." The city government also commented on the islands' rich natural resources and the possibility of developing of them further through the construction of a lighthouse, port, and other facilities for Japanese fishermen.⁷

Given the challenges of implementing the deal, Governor Ishihara may have hoped to provoke the central government into action. Any deal would first require an on-site assessment to determine the land's value, vetted by a local government panel after permission from the central government. If the sale price exceeded roughly \$500,000—and the islands were eventually purchased for \$25 million—the governor would need approval from the metropolitan assembly. Tokyo taxpayers were likely to be wary of buying a group of uninhabitable islands over 1,000 miles away, and at that time the Democratic Party of Japan held the largest number of seats in the assembly. The Japanese Communist Party also expressed skepticism about the deal. Moreover, even if Ishihara was successful in purchasing the islands, the city of Ishigaki in Okinawa Prefecture would still

5. Shintaro Ishihara, "The U.S.-Japan Alliance and the Debate over Japan's Role in Asia," Heritage Foundation, video, 44:30, April 16, 2012; Unezawa, "Ishihara, Citing Chinese Moves"; Hyuga, "Owner of Islands Claimed by China"; Yoko Wakatsuki, "Tokyo Governor Outlines Plan to Buy Islands Claimed by China," CNN, April 17, 2012; "Ishihara Thumbs His Nose," *Asahi Shimbun*.

6. Ibid.

7. Ishihara, "The U.S.-Japan Alliance and the Debate over Japan's Role in Asia"; Hongo, "Tokyo's Intentions for the Senkaku Islets"; "Tokyo Governor Seeks to Buy Islands Disputed with China," Reuters, April 17, 2012.

retain administrative authority. Therefore, it is not clear that Tokyo would have been permitted to build structures on the islands after obtaining ownership.⁸

Ishihara timed and framed the announcement meticulously. Kurihara had just renewed his lease with the Ministry of Internal Affairs and Communication on April 1. In addition, just before Ishihara left for Washington, North Korea tested a Taepodong-2 ballistic missile for the first time. One source suggests that Ishihara sought to capitalize on the Japanese people's resulting "heightened" support for a strong defense. Before leaving Tokyo, Ishihara exclaimed, "I will cause a big controversy over there." He reportedly chose the Heritage Foundation for its conservative stance, hoping that the United States might "serve as pressure on the Japanese government and lead it to take action" as Japan's ally. Ishihara acknowledged that the Japanese national government, China, and the United States were likely to oppose his move. Ishihara castigated Japan for not having nationalized the islands already and said his plan to buy them himself "will make the government weep with a sense of defeat because . . . [it] did not do anything."⁹ According to other sources, Ishihara's intention was to turn the islands over to the national government if his son Nobuteru became prime minister when the Liberal Democratic Party returned to power.¹⁰

Ishihara was also likely eyeing his own political fortunes. An unnamed cabinet minister reflecting on the governor's decision commented that making controversial remarks was his "shtick" for "gaining momentary popularity." Although he and other observers wrote off the move as a "publicity stunt to appease his conservative support base," others saw a deeper connection to Ishihara's plans to run for the Diet in December 2012. According to one source, Governor Ishihara hoped to propel his new Sunrise Party into the national spotlight and "intensify [its] attractiveness . . . by making the purchase plan one of its key policies." A commentary in China's Xinhua on April 18 also took this opinion, arguing "Ishihara is attempting to bolster his profile by sabotaging China-Japan ties" with a "hawkish posture" around the 40th anniversary of the normalization of Sino-Japanese diplomatic relations.¹¹

Phase II: National Government Weighs Options

Governor Ishihara's announcement drew mixed responses from local government leaders. Ishigaki mayor Yoshitaka Nakayama claimed he had already been informed "through a channel" and supported the plan, arguing that the Senkakus' remoteness made territorial defense more difficult if the islands were not in public hands. Nakayama even offered local Ishigaki funds for joint ownership with Tokyo. Okinawa governor Hirokazu Nakaima likewise voiced his opinion that ownership by Tokyo would help "stabilize" the Senkaku dispute. Yet the announcement caught other prefectural leaders by surprise, with one calling it a "bolt out of the blue." Another senior Okinawa official

8. Hongo, "Tokyo's Intentions for the Senkaku Islets"; Kirk Spitzer, "A Risky Game over Japan's Disputed Islands," *Time*, April 20, 2012; Yuka Hayashi, "Tokyo Chief Plots to Buy Disputed Islands," *Wall Street Journal*, April 17, 2012.

9. "Ishihara Thumbs His Nose," *Asahi Shimbun*; Ishihara, "The U.S.-Japan Alliance"; Hongo, "Tokyo's Intentions for the Senkaku Islets"; Tim Schwarz, "North Korea Rocket Breaks up in Flight," CNN, April 17, 2012.

10. "Senkaku Snafu," *Japan Times*.

11. Unezawa, "Ishihara, Citing Chinese Moves"; "Ishihara Thumbs His Nose," *Asahi Shimbun*; "China Slams Ishihara's Senkaku Plan," *Japan Times*, April 19, 2012.

asserted the government's opposition to ownership by Tokyo, though it had "no problem" with the national government taking control of the islands.¹²

The Japanese central government publicly opposed Ishihara's actions. One administration spokesperson maintained ignorance of Governor Ishihara's scheme and offered no comment. Foreign Minister Koichiro Gemba likewise said his office had yet to confirm the details of the plan but struck back at Ishihara's criticism of the Democratic Party of Japan's handling of the Senkakus issue as too dovish. Gemba affirmed that Japan had "effective control over the islands," suggesting the leadership did not see a need to transfer ownership over the islands at this time.¹³ Other senior policymakers, however, already appeared to be considering taking preemptive action against the governor's plan.

Chief Cabinet Secretary Osamu Fujimura was the first to raise nationalization as an option. Although he said Japan would start by seeking more information from Tokyo, Fujimura noted that the administration already rented the three islands and "could proceed further on the basis of such thinking if necessary." Later in the week, Seiji Maehara, chair of the Democratic Party of Japan's Policy Research Committee, called for the central government to nationalize the islands. Prime Minister Noda confirmed this action was being considered at the highest levels of government. Indeed, according to later disclosures, Noda had been considering purchasing the islands since September 2010.¹⁴

Like Governor Ishihara, the prime minister was concerned about China's increasing maritime presence and activities. Between 2008 and 2011, Japanese Air Self-Defence Force scrambles against Chinese aircraft in the East China Sea had increased fivefold.¹⁵ Both men felt Japan had to do something to deter China from believing that it could take the Senkakus by force. However, Noda was warier of China's likely reaction to any Japanese effort to strengthen its control over the disputed islands. He had previously hoped to quietly nationalize them over time "before anyone noticed." Yet, "caught off guard" by the governor's announcement, Noda ordered his aides to think up actionable options. Noda stated before the Diet that the administration was ascertaining Kurihara's intentions and was keeping "all options open," including purchasing the islands on its own.¹⁶

Beijing's response to Ishihara's announcement was initially restrained. The Chinese government did not immediately offer any commentary. The Japanese foreign ministry said Chinese diplomats had informed them, though, that they were paying close attention to the issue. As more details emerged, a Chinese foreign ministry spokesman asserted China's "indisputable sovereignty" over the Senkakus

12. Unezawa, "Ishihara, Citing Chinese Moves"; Erik Slavin and Chiyomi Sumida, "Tokyo Vies for Ownership of Islands despite Beijing Threats," *Stars and Stripes*, April 18, 2012; Hongo, "Tokyo's Intentions for the Senkaku Islets"; "Ishihara Seeking to Buy Senkaku Islands," *Japan Times*, April 18, 2012.

13. "Tokyo to Buy Disputed Islands, Says Governor Ishihara," BBC News, April 17, 2012; Hayashi, "Tokyo Chief Plots to Buy Disputed Islands"; Unezawa, "Ishihara, Citing Chinese Moves"; "Ishihara Thumbs His Nose," *Asahi Shimbun*; Dickie, "Tokyo Governor in Bid"; Justin McCurry, "Tokyo's Rightwing Governor Plans to Buy Disputed Senkaku Islands," *Guardian*, April 19, 2012; Hyuga, "Owner of Islands Claimed by China"; "China Slams Ishihara's Senkaku Plan," *Japan Times*; "Senkaku Snafu," *Japan Times*; "Maehara: State Should Buy Senkaku Isles, Not Tokyo," *Asahi Shimbun*, April 21, 2012.

14. *Ibid.*

15. Japanese MOD, "China's Recent Air and Maritime Activities in East China Sea" (slides, 2014), 2.

16. Interview with former senior U.S. official.

and decried any unilateral action by Japan as “illegal and invalid.” Taiwan also voiced its opposition, with a spokesperson stating, “We cannot accept any remarks made by Japanese politicians concerning Diaoyutai.” On April 18, Beijing’s concern rose as a spokesperson accused “a few politicians” in Japan of “repeatedly” making statements that “encroach on China’s sovereignty and harm China-Japan ties.” The spokesperson also suggested that Ishihara’s comments had not only injured the bilateral relationship but also “Japan’s international image.” Xinhua published a parallel editorial accusing Ishihara of purposely stirring up the dispute for political gain and warned that China would take all “necessary measures” to safeguard its sovereignty and territorial integrity.¹⁷

On April 23, Ishihara held a press conference with Ishigaki mayor Nakayama. The Ishigaki mayor publicly endorsed Ishihara’s plan after the dialogue and Ishihara stated that his negotiators were currently bargaining with Kurihara. Although some form of joint ownership was still on the table, Nakayama suggested he would give Tokyo a wide berth as the primary negotiator. Soon after, Japanese minister of defense Naoki Tanaka met to discuss Ishigaki City’s involvement in Tokyo’s territorial bid.¹⁸

The following day in Beijing, Chinese vice president Xi Jinping met with former Japanese foreign minister and speaker of the lower house Kono Yohei, who was the head of a delegation from the Japan Association for the Promotion of International Trade. Vice President Xi appeared to take a moderate stance on the Senkakus issue, urging both countries to respect each other’s “core interests” but also noting, “Problems [are] bound to arise from time to time. But, if goodwill and friendship exist, they can be resolved.”¹⁹

On April 27, the Tokyo metropolitan government proudly disclosed it had already received several hundred thousand yen in donations from 37 private citizens. These funds were deposited in an account at Mizuho Bank the city had opened for the purpose. Tokyo officials also stated that they would begin drawing up a “concrete plan” for the islands on May 1. Earlier in the day, Governor Ishihara held talks with Prime Minister Noda. Although Ishihara stated that the two did not discuss the Senkakus, Ishihara asserted that he had again criticized the foreign ministry’s handling of the September 2010 trawler incident, telling Noda, “The ministry has no ability but to flatter the big power.”²⁰

Later disclosures revealed that Ishihara had told the prime minister that his real desire was for the central government to buy the islands, although Noda was “noncommittal” at the time. Japanese media also reported that Ishihara had planned to ask the prime minister’s permission to conduct surveys on the Senkakus related to the purchase. After the talks, however, neither official gave any indication about Noda’s answer, although Ishihara did announce he was “in the process of assembling a team” for that operation. A spokesperson for the Chinese embassy in Tokyo held a press conference the same day to reiterate Beijing’s position toward the islands. Several days later, on April 29, Prime Minister Noda reportedly discussed the Senkakus issue with his aides during a flight

17. “Tokyo Governor Seeks to Buy Islands,” Reuters; Unezawa, “Ishihara, Citing Chinese Moves”; “Tokyo to Buy Disputed Islands, Says Governor Ishihara,” BBC News; “Ishihara Thumbs His Nose,” *Asahi Shimbun*.

18. Eleanor Warnock, “Tokyo Governor Steams Ahead with Island Purchase Plan,” *Wall Street Journal*, April 24, 2012.

19. James Przystup, “Happy 40th Anniversary,” *Comparative Connections* 14, no. 1 (May 2012).

20. Aoki, “Metro Government Raising Funds”; Przystup, “Happy 40th Anniversary.”

to the United States for prescheduled meetings with top U.S. officials, including President Barack Obama. One of his advisers, Akihisa Nagashima, suggested that Japan should purchase the islands, but Noda offered no reply.²¹

On May 3 and 4, the Japan Coast Guard reported the presence of two Chinese maritime law enforcement vessels near the islands. This marked the first time that Fisheries Law Enforcement Command or China Marine Surveillance ships had been spotted in the area since Ishihara's announcement. The two patrol ships did not enter the Senkakus' territorial sea, although they may have entered the 24-nautical-mile contiguous zone. At this time, however, Beijing probably was not yet using coast guard deployments in retaliation to Governor Ishihara's statements. Just the previous month, another maritime law enforcement ship had breached the Senkakus' territorial sea. Published data do not show a significant increase in Chinese government patrols until after Japan's nationalization of the islands in September.²²

Leaders from China, Japan, and South Korea held their Fifth Trilateral Summit in Beijing on May 13 and 14. After hosting three-way talks, Chinese president Hu Jintao snubbed Japanese prime minister Noda and held a one-on-one dialogue with South Korean president Lee Myung-bak. Chinese officials maintained that Hu's schedule was simply too tight, so Premier Wen Jiabao met Noda instead. This slight was widely viewed as connected to Tokyo's hosting of the World Uighur Congress the same day, but some observers also suggested the Senkakus issue may have been a contributing factor. In his May 13 meeting with Prime Minister Noda, Wen suggested both countries respect the other's "core interests and major concerns"—making clear China's irritation over both issues. Both leaders emphasized their desire to prevent individual issues from hijacking the entire bilateral relationship. When Noda raised the issue of human rights, the Chinese premier brought up the disputed Senkaku/Diaoyu Islands, calling them an "issue of major concern." Premier Wen also reasserted China's basic position with respect to the islands' sovereignty. Surprising even his own delegation, Prime Minister Noda replied bluntly, "The intensification of maritime activities by China has stirred the emotions of the Japanese public."²³

On May 16 in Hangzhou, China, the two countries held their first-ever plenary meeting of the Japan-China High-Level Consultation on Maritime Affairs. China and Japan had agreed to establish this twice-yearly dialogue in December 2011 during Noda's first trip to Beijing as prime minister. Few details on the substance of the talks were released to the public, but the Senkaku dispute was discussed. U.S. and Japanese observers welcomed Chinese flexibility in following through with the dialogue despite the lurking crisis.²⁴

21. "Inside Look," *Asahi Shimbun*; Przystup, "Happy 40th Anniversary."

22. "Chinese Ships near Senkakus Again," *Japan Times*, May 4, 2012; Japanese MOD, *Defense of Japan 2013* (Tokyo: MOD, 2013), 173; Japanese MOFA, "Trends in Chinese Government and Other Vessels," December 2015.

23. Nozomu Hayashi, Tetsuya Hakoda, and Satoshi Okamoto, "Hu Snubs Noda as Tension Rises over Uighur Issue," *Asahi Shimbun*, May 15, 2012; "Inside Look," *Asahi Shimbun*; Japanese MOFA, "Japan-People's Republic of China Summit Meeting (Summary)," press release, May 31, 2012.

24. Stephanie Ho, "Beijing Eases Anti-Philippine Talk, Holds Firm on Territorial Dispute," *VOA News*, May 16, 2012; M. Taylor Fravel, "Japan, China's Maritime Step," *Diplomat*, May 19, 2012; Japanese MOFA, "Japan-People's Republic of China Summit Meeting (Summary)."

Around this time—perhaps at the maritime consultation—Beijing sent the Japanese national government a stern threat through diplomatic channels. If Ishihara were to purchase the islands, tighten government administration over their environs, and develop them along his hardline agenda, Japan would be responsible for “irrevocable damage” to the bilateral relationship. Noda and his aides’ reading of this message was decidedly not the one Beijing intended; they reportedly believed that China’s indignation lay primarily with Ishihara’s radicalism and that Beijing would be “less incensed” if Japan nationalized the islands than if the governor succeeded in appropriating them for Tokyo City. On this point the expectations gap between China and Japan was growing wider by the day. According to a high-ranking Chinese foreign ministry official overseeing Japan affairs, Beijing was confident that Japan would stop Ishihara’s plan. Chinese leaders believed that strengthened bilateral ties through the maritime consultation mechanism meant Japan would seek to “head off problems” through dialogue.²⁵

On May 18, Prime Minister Noda collected a small number of trusted advisers to his office for a secretive discussion on the Senkakus issue. The participants were Chief Cabinet Secretary Osamu Fujimura; Deputy Chief Cabinet Secretary Hiroyuki Nagahama; Special Adviser Akihisa Nagashima; Vice Foreign Minister Kenichiro Sasae; and Assistant Chief Cabinet Secretary Chikao Kawai. Noda apparently did not choose to consult his top ministers for this important gathering. The meeting began with a briefing on Governor Ishihara’s plan to purchase the three Senkaku features, build a typhoon shelter to benefit local fishermen, and station civil servants there to strengthen Japan’s sovereignty claims. The group was in agreement that Ishihara could not be controlled and his capture of the islands threatened to damage Japan’s policy toward China. The danger had become more urgent in recent days, as details leaked out about the enormous volume of donations Tokyo had already collected. Indeed, by late May some 67,000 private Japanese citizens had pledged nearly \$12.5 million for the project, and most of the pledged funds were already deposited in Tokyo’s dedicated bank account. One aide later explained, “We felt the metropolitan government’s purchase plan was becoming a reality.” If Tokyo succeeded, not only would there be repercussions for Sino-Japanese relations, but the Noda administration would be slammed by its political opponents for being “weak-kneed.” At this point, officials felt that Governor Ishihara “was leading the central government 10–0.”²⁶

Following the briefing, Noda encouraged his aides to present policy options. Nagashima again voiced his opinion that Japan should buy the three Senkaku islets. The impact of such a decision would be mitigated, he argued, if Japan made clear “that the purpose of doing so is to maintain and administer the islands in a peaceful manner.” Nationalization would also “not antagonize China as much” if Ishihara were allowed to gain control. Vice Foreign Minister Sasae had previously counseled Noda against this action. Nationalizing ownership, he believed, would be seen in Beijing as a provocative deepening of Japanese administrative control over the islands. Sasae advised, “We should leave it to the Tokyo metropolitan government, and tell China: ‘The plan to buy the islands

25. “Inside Look,” *Asahi Shimbun*.

26. “Senkaku Snafu,” *Japan Times*; “Inside Look,” *Asahi Shimbun*; “Tokyo Raises 1 Billion Yen to Purchase Disputed Islands,” *Majirox News*, May 28, 2012; Yuka Hayashi, “Ishihara Unplugged: China a ‘Thief,’ America ‘Unreliable,’” *Wall Street Journal*, May 29, 2012; “Asia: Japan Raises 1 Billion Yen to Buy Senkaku Islands,” *Private Island News*, May 29, 2012.

is merely what one local government is doing.” Yet, in this case, Sasae yielded and did not offer any further opposition to Nagashima’s proposal.²⁷

Finally, the prime minister made his decision: the central government would nationalize the disputed islands. Moreover, Japan should “speed up the procedures to have the property rights over the Senkakus transferred to the state” by summer’s end. Several reasons were given. Noda felt the diplomatic shock would be less damaging if it was completed before China’s leadership transition in November, since it would be easier to patch up relations with a new administration. In addition, the Tokyo metropolitan government was facing a delay in the real-estate appraisal that left it unable to formally offer Kurihara a price until the fall. Noda would not permit the governor to best his administration, though he asked his aides to “make sure to carry [the purchase] out without making Mr. Ishihara lose face.” Faced with a difficult situation, Noda took the opportunity to follow a path he already considered necessary. “Defending territory is fundamentally a government duty,” Noda told his aides, “my government will fulfill the task, with a sense of responsibility.”²⁸ Although the prime minister and his subordinates publicly emphasized the need to forestall Governor Ishihara’s plan, it was well known within his inner circle that the underlying motivation was countering a perceived Chinese revanchist threat.²⁹

Following this meeting, Deputy Chief Cabinet Secretary Nagahama informed Kurihara of the prime minister’s instructions. Kurihara responded “favorably.” Perhaps before being notified of the government’s intentions, the owner’s brother, Hiroyuki Kurihara, permitted an interview with Japanese media and stated that although the family had “basically agreed” to sell to Tokyo and was now “hammering out details of the contract,” it was still open to the possibility of handing the islands over to the central government. He suggested that a trilateral meeting between the Kurihara family, Tokyo government, and central government would be necessary.³⁰

Noda’s decision proved more controversial than expected. On June 6, Japanese ambassador to China Uichiro Niwa warned publicly that Ishihara’s plan promised to spark an “extremely grave crisis” between the two countries. Niwa’s statement was interpreted as not only a criticism of Ishihara, but also a warning against the central government purchasing the islands. At this time, the opposition Liberal Democratic Party was reportedly already considering including Senkakus nationalization in its charter for the fall general elections. Ambassador Niwa was reprimanded by senior government officials for his remarks, with Chief Cabinet Secretary Fujimura publicly scolding Niwa for representing his “personal opinions” as the government’s position. Fujimura stated that Foreign Minister Gemba had also rebuked the ambassador. Fujimura said the administration was still sounding out Ishihara’s intentions and “considering various ways to continue administering the Senkaku islands in a calm and stable manner,” a clear reference to the internal decision already made to nationalize the Senkakus. Niwa apologized for “speaking out of turn,” leading some Diet lawmakers to demand his resignation.³¹

27. “Senkaku Snafu,” *Japan Times*; “Inside Look,” *Asahi Shimbun*.

28. *Ibid.*

29. Interview with former senior U.S. official.

30. “Inside Look,” *Asahi Shimbun*; Ito, “Owner OK with Metro Bid.”

31. Dickie, “Tokyo Governor in Bid”; Mure Dickie, “Activists Assert Senkaku Sovereignty,” *Financial Times*, June 17, 2012; Mure Dickie, “Japan Cautions Diplomat on China Remarks,” *Financial Times*, June 7, 2012; Chico Harlan, “Japan’s Ambassador to China Returns for Talks amid New Row over Islands,” *Washington Post*, July 15, 2012.

On June 10, National Diet and other local politicians were among the passengers of a small flotilla of 14 Japanese fishing and diving boats that staged a patriotic voyage around the disputed islands. With the lawmakers' help, the activists were able to circumvent the normal coast guard restrictions by buying their own vessels and registering the mission as "fisherman training." Satoru Mizushima, the leader of the expedition and an activist film director, said "the people" had decided it was necessary to take on the government's "responsibilities [for] national defense," since the administration was not willing to do so itself. Responding to this trip, a Chinese foreign ministry spokesperson demanded that Japan "immediately desist" from such "farfetched actions," which would only "inflame bilateral relations."³²

The following day, Governor Ishihara testified before the Diet and delivered a "blistering attack" against the Noda administration's position on the Senkakus. The government's own inaction, he argued, had forced him to purchase the islands himself: "The Tokyo metropolitan government is being forced to do something that really is not its business. . . . It is the state that should be actively working (on the purchase)." Ishihara again implored the central government to consider nationalization itself. Japanese media observed that "more and more Diet members" from various parties were coming around to the idea. Even members of the Noda administration skeptical about nationalization felt political pressure. An unnamed senior official complained, "We want to calmly strengthen our effective control, but [Ishihara's moves] are playing into the hands of China, which wants to play up the territorial issue."³³

Japanese and Chinese vice foreign ministers held talks the same day, June 11, at a hotel in Yamanashi Prefecture, Japan. Chinese vice minister Zhang Zhijun asked that the Noda administration focus on overall bilateral ties in dealing with Ishihara's plan and "firmly block measures that damage the two countries' political foundation." Japanese vice minister Sasae did not inform China of the government's impending decision to go ahead with nationalization, although he hinted that Japan sought to "maintain and administer the Senkaku Islands in a peaceful and stable manner."³⁴

In mid-June, Governor Ishihara and his son met again with Kurihara in Tokyo. It soon became clear that Kurihara had been swayed by central government negotiators who offered him a higher price and finalization date in September. In contrast, the deal with Ishihara would have required up to a year. Kurihara had also reportedly grown concerned about the legal obstacles in the way of Ishihara's plan. He cut off negotiations with Ishihara with the terse missive, "I [have] decided to sell the islands to Japan."³⁵ Noda's adviser, Akihisa Nagashima, back channeled with Governor Ishihara over the course of the summer to ensure he would ultimately support the Japanese national government's decision.³⁶

32. Mure Dickie, "Tokyo Warned over Plans to Buy Islands," *Financial Times*, June 6, 2012; Dickie, "Activists Assert Senkaku Sovereignty."

33. "Ishihara Delivers Blistering Attack on Senkaku Issue in Diet," *Asahi Shimbun*, June 12, 2012.

34. "Inside Look," *Asahi Shimbun*.

35. "Insight: Main Battle over Senkaku Isles Waged between Ishihara, Noda," *Asahi Shimbun*, September 3, 2012; Slodkowski, "How Debts and Double-Dealing."

36. Interview with former senior U.S. official.

Japanese officials reportedly considered dozens of possible Chinese responses before Noda went public. In particular, they drew on lessons from the 2010 Senkakus crisis. Noda's aides believed that international criticism of China would prevent Beijing from a similarly escalatory reaction this time around. Although they also drafted plans to build structures on the islands to aid fishermen and further improve Japanese administrative control, these options were eventually shelved.³⁷

Phase III: Announces Intention to Nationalize Islands

On July 7, Prime Minister Noda held a press conference on the Senkakus. For the first time, he confirmed that the central government was actively considering nationalization. Noda emphasized that if the government decided to purchase the islands, it would be "from the viewpoint of administering them in a peaceful and stable manner." The prime minister also warned that Ishihara's plan could irreparably harm Sino-Japanese relations. Noda told reporters that Japan was still ascertaining Ishihara's and Kurihara's intentions. He did not disclose that his administration was already firmly set on the course of nationalization.³⁸

China and Taiwan were both surprised and reacted bitterly to the announcement. A Chinese spokesperson stated, "No one will ever be permitted to buy or sell China's sacred territory." The foreign ministry warned that China would take all "necessary measures to firmly uphold its sovereignty" and "resolutely defend" the islands against any possible "illegal" action by Japan. The timing was also problematic, as that day was the 75th anniversary of the Marco Polo Bridge Incident (which marked the start of the Japanese invasion of China). A Xinhua commentary remarked derisively, "Is the Japanese government really going to play the main character in a farce by Ishihara? He is pressuring the Japanese government, with the ultimate aim of the islands' nationalization." Taipei likewise voiced its opposition.³⁹

Relegated to the sidelines, Governor Ishihara also expressed irritation to the press on July 7. He dismissed Noda's move as the Democratic Party of Japan scrambling for political gain at a time when it was coming under increasing pressure from the opposition. Ishihara argued, "They are only doing it to gain popularity . . . because the administration is struggling." At least publicly, Ishihara still maintained that Kurihara preferred Tokyo's deal to that of the national government. By this time, Tokyo's special bank account had already collected \$16.3 million in donations for the purchase.⁴⁰

The Noda administration reportedly did not consult the United States prior to this declaration of interest. This raised "suspicions" among U.S. policymakers that Japan was rushing a potentially contentious policy decision that could have severe implications for China's relations with both Japan and the United States. On July 8, a U.S. diplomatic team led by Assistant Secretary of State Kurt Campbell held two meetings with Japanese counterparts in Tokyo. Shinsuke Sugiyama, head of the Japanese foreign ministry's Asian and Oceanic Affairs Bureau, explained to the U.S. delegation that Japan believed it had received "the understanding of the Chinese" on its decision. This

37. "Inside Look," *Asahi Shimbun*; "Central Government Plans to Buy Senkaku Islands," *Asahi Shimbun*, July 7, 2012.

38. "Inside Look," *Asahi Shimbun*.

39. "China Dismisses Japan Plan to Buy Disputed Islands," Reuters, July 8, 2012; Mure Dickie, "Japan Resists China over Disputed Islands," *Financial Times*, July 9, 2012; "Inside Look," *Asahi Shimbun*.

40. "Central Government Plans to Buy," *Asahi Shimbun*.

was a reference to the idea that nationalization would provoke less ire from Beijing than a purchase by Ishihara. Noda's special adviser Nagashima repeated these arguments on behalf of the prime minister.⁴¹

The suggestion that China had given its consent to the plan struck U.S. diplomats as suspect. They feared that Japan was underestimating the nationalistic passions such a move would unleash in China. According to a later press report, Assistant Secretary Campbell gave his interlocutors "very strong advice not to go in this direction."⁴² Others, however, argue that Assistant Secretary Campbell did not explicitly "oppose" Japan's decision, but instead was just seeking to ascertain whether Noda was really prepared for an assertive Chinese response.⁴³ Campbell asked Nagashima, "Is this the best way? Do you believe that is the only way forward?" Campbell expressed concern that "Japan was not understanding what was going to happen in Japan-China relations." He asked the administration to be "careful" and find some alternative resolution. One U.S. official even inquired if it were possible to tell Tokyo it was illegal for the metropolitan government to buy the islands. The Japanese delegation, however, said it "could not find any legal problems" with Ishihara's plan and dismissed the United States' concerns about the likely impact on regional tensions. Nagashima interpreted Campbell's warning as a narrow U.S. wish to avoid being "dragged into any military encounter between Japan and China," although Campbell denied that this was the intended message. Japanese government sources suggest there was a perception gap between the two allies at these consultations.⁴⁴

Early on July 11, three Chinese Fisheries Law Enforcement Command patrol vessels entered waters near the Senkakus. The ships initially refused the Japan Coast Guard's order to leave the area but ultimately withdrew later that day. Two of the ships appear to have intruded into the 12-nautical-mile territorial sea—the first such instance since March 2012. In response, Japanese chief cabinet secretary Fujimura reiterated Japan's claims in a press conference in Tokyo. Vice Foreign Minister Sasae also summoned the Chinese ambassador to Japan, Cheng Yonghua, to lodge a protest, calling the violation of the Senkakus' territorial waters "extremely serious" and "unacceptable." China dismissed Japan's complaints and in a press briefing that evening, a spokesperson said Chinese vessels were fulfilling a "fishery protection mission" in the area and that Beijing "does not accept" the protests of Japanese diplomats.⁴⁵

The Japanese and Chinese foreign ministers met just hours after this incident for prescheduled talks on the sidelines of an ASEAN forum in Cambodia. Although the Senkakus issue was threatening to derail the meeting, foreign ministers Koichiro Gemba and Yang Jiechi tried to contain the damage. Gemba did repeat Japan's complaint over the recent intrusion, to which Yang protested Japan's plan to purchase the disputed islands. Both ministers, however, highlighted the importance of good

41. Takashi Oshima, "Reality Check: What the Senkakus Issue Entails for Washington," *Asahi Shimbun*, February 25, 2014.

42. Ibid.

43. Interview with former senior U.S. official.

44. Oshima, "Reality Check."

45. "Japan Protests at Chinese Ships near Disputed Islands," BBC News, July 11, 2012; Japanese MOD, *Defense of Japan 2013*, 173; Japanese MOFA, "Trends in Chinese Government and Other Vessels," December 2015; Julian Ryall, "Japan Summons China's Ambassador over Islands Dispute," *The Telegraph*, July 11, 2012; "Japan Protests Chinese Ships Entry into Waters near Disputed Isles," Reuters, July 11, 2016.

relations. The ministers agreed to accelerate plans for an early launch of the Japan-China People-to-People Exchanges Council and to move ahead with preparations for the fourth meeting of the New Japan-China Friendship Committee for the 21st Century, scheduled for late November.⁴⁶

On July 15, the Japanese foreign ministry recalled Ambassador Niwa from China for a “temporary return.” Foreign Minister Gemba said the ministry wanted “to talk directly regarding the current situation in Japan-China relations and [Niwa’s] analysis of it.” Gemba insisted that the recall was in no way intended as a snub to Beijing or as a questioning of the ambassador’s competence. However, the ambassador was replaced prematurely the following month in what was widely seen as retaliation for his insubordination and conciliatory views toward China.⁴⁷

The Ministry of Land, Infrastructure, Transport, and Tourism in Japan completed a real estate appraisal later in July. It arrived at a purchase price of roughly 2 billion yen—several hundred million higher than the funds raised by Tokyo. After receiving Prime Minister Noda’s approval, the chief cabinet secretary presented the government’s price to Kurihara.⁴⁸

Then on August 15, a group of Chinese nationalists arrived at the disputed islands in a fishing vessel. As Japan Coast Guard patrol boats surrounded the trawler, seven of the activists jumped overboard and swam to the nearest island. Two of the activists returned to the boat, but the other five remained on the island and tried to plant a Chinese flag. This marked the first time since 2004 that non-Japanese activists had successfully staged a landing on the Senkakus. All 14 Chinese nationals were quickly arrested on the charge of “illegal entry.” Chief Cabinet Secretary Fujimura informed the press that Japan had lodged formal protests with China and Hong Kong over the activists. Prime Minister Noda stated that Japan would handle these activists “strictly in accordance with the law.” Chinese vice foreign minister Fu Ying “lodged solemn protests” with the Japanese foreign ministry demanding that Tokyo “ensure the safety” of demonstrators and “immediately and unconditionally” release them.⁴⁹ The following day the Noda administration decided to deport the activists back to China.⁵⁰ Prior to this incident, July had witnessed a slight increase in the number of Chinese government and nongovernment vessels entering the Senkakus’ territorial sea or contiguous zone. Yet, during August, entries decreased to the normal frequency, with no Chinese maritime law enforcement vessels breaching the territorial sea.⁵¹

Japanese nationalists staged their second voyage to the disputed islands several days later, on August 19. A small flotilla carrying some 150 Japanese activists reached the Senkakus. A conservative lawmaker aboard one of the vessels, Koichi Mukoyama, stated that the “illegal landing of

46. “Japan Protests Chinese Ships Entry,” Reuters; Japanese MOFA, “Japan-China Foreign Ministers’ Meeting (Overview),” press release, July 11, 2012.

47. “Editorial: Are Foreign Ministry Bureaucrats up to the Task of Diplomacy?,” *Asahi Shimbun*, August 22, 2012; Mure Dickie, “Japan’s Ambassador to China Called Home,” *Financial Times*, July 15, 2012.

48. “Inside Look,” *Asahi Shimbun*; “Central Government Plans to Buy,” *Asahi Shimbun*.

49. Ibid.

50. “Japan Arrests Pro-China Activist Swimmers in Island Row,” BBC News, August 15, 2012; Michiyo Nakamoto et al., “Japan Arrests Activists in Senkaku Dispute,” *Financial Times*, August 16, 2012; Ben Blanchard and Linda Seig, “Japan to Deport Chinese Activists after Island Landing,” Reuters, August 16, 2012.

51. Japanese MOFA, “Trends in Chinese Government and Other Vessels,” December 2015.

Chinese people on the island” four days prior necessitated that Japan “solidly reaffirm our own territory.” Toshio Tamogami, one of the group’s spokespersons, explained that the voyage would send a clear message to China: “[don’t] mess around.” The Japanese government had denied the group permission to land, but they sailed to the area anyway. Japan Coast Guard vessels were in the area and arrested the 10 Japanese activists who landed on one of the islands.⁵²

Beijing voiced strong criticism of the activists and Japan’s apparent inability or unwillingness to prevent the landing. Ambassador Niwa was summoned to the Chinese foreign ministry, where he was presented with a diplomatic note strongly condemning “the illegal behavior of Japanese right-wingers.” A Xinhua commentary characterized this landing as among “a barrage of other provocations” that threatened “another setback” for the countries’ political and economic relations. The Taiwanese foreign ministry likewise summoned Japan’s top representative in Taipei over this “provocative” act.⁵³

Most significantly, for the first time since 2005 large-scale anti-Japanese demonstrations spread throughout China. With thousands of protestors in a number of cities across the mainland, the rallies could only have been held with Beijing’s tacit permission. Indeed, the protests were heavily policed, but Chinese security did not appear to intervene to prevent violence. In the southeastern city of Shenzhen, about 2,000 activists overturned and vandalized Japanese-brand cars, including a police vehicle, and attacked Japanese restaurants. Hong Kong saw much of the same, with 200 marchers chanting slogans and burning Japanese flags in front of the Japanese consulate. Two Japanese department stores were forced to shut down in Chengdu. Guangzhou, Shanghai, Qingdao, Taiyuan, Hangzhou, and Harbin also witnessed smaller demonstrations. In response, Japanese chief cabinet secretary Fujimura requested that China “ensure the safety of Japanese nationals” and emphasized that it was in neither country’s interest for the “Senkaku issue to affect bilateral ties.”⁵⁴

Phase IV: Relations with China Rapidly Worsen

Near the end of August, Prime Minister Noda sent Yamaguchi Tsuyoshi, the senior vice minister of foreign affairs, on a special mission to Beijing. He carried a personal letter from the prime minister to Chinese president Hu Jintao, which was delivered to State Councilor Dai Bingguo. The letter emphasized the importance of not allowing the Senkaku dispute to damage the overall Sino-Japanese relationship. The letter read, “It is extremely important to maintain close communications at the highest political levels.” Once again, however, the note contained no mention of Japan’s impending plan to nationalize the islands, which had been widely reported in the media. Apparently, Noda withheld this information because he viewed the matter as fundamentally “an internal affair.” A Chinese diplomatic source later blamed Japan for misleading the Chinese leadership about its intentions, because President Hu interpreted the letter’s obvious omission to mean there was “still room for Japan to re-examine the purchase plan.” A senior Chinese foreign ministry official said it was “a sign that the Japanese government expects tensions to ease.” Another Chinese

52. “Anti-Japan Protests across China over Islands Dispute,” BBC News, August 19, 2012; “China Protests over Japanese Activists’ Visit to Disputed Island,” *Guardian*, August 19, 2012.

53. “Anti-Japan Protests across China,” BBC News; “China Protests over Japanese Activists’ Visit,” *Guardian*; Linda Sieg and Kiyoshi Takenaka, “Japan Says Disputed Islands Should Not Hurt Key China Ties,” Reuters, August 20, 2012.

54. Ibid.

official was more skeptical, however, noting that the missive “merely explained Japan’s basic stance . . . [but] offered no initiatives to improve the situation.”⁵⁵

On September 2, the Tokyo metropolitan government concluded a survey of the three islands for its pre-purchase real estate appraisal. Ishihara promised to land on the Senkakus himself in October and said he was willing to be arrested. Xinhua blasted the survey, admonishing the Japanese national government to “not let a right-winger take hold of its reins.” Yet Beijing also reportedly appreciated Noda’s denial of permission for Ishihara to actually land. A senior Chinese foreign ministry official noted optimistically, “We have been able to maintain communications with the Japanese government.”⁵⁶

The next day, however, the Noda administration concluded an agreement to purchase the three islands from Kurihara for roughly \$25.5 million. When a Japanese foreign ministry official voiced opposition to the nationalization plan and urged the prime minister to “keep the Japanese state out of the equation,” Noda replied that his decision was final. On September 4, the prime minister’s special adviser, Akihisa Nagashima, went to speak with Ishihara on Noda’s behalf. Nagashima informed him that the central government could not accept his terms for developing the islands and would soon go ahead with nationalization. Ishihara accepted the decision, saying, “It must have been a tough job for you, too.”⁵⁷

On September 8, U.S. secretary of state Hillary Clinton discussed the Senkakus with Prime Minister Noda. Many in the White House reportedly opposed Japan’s decision. Sitting across a table from Noda on the sidelines of the Asia-Pacific Economic Cooperation forum in Vladivostok, Secretary Clinton “asked if it was really necessary” and how Noda “foresaw the situation playing out.” The prime minister, reading from notes prepared by foreign ministry officials, explained Japan’s view that nationalization would result in a more stable management of the islands than if Ishihara purchased them. Noda argued that China, not Japan, was the first to unilaterally change the status quo through its coast guard patrols to the islands. Clinton “did not look convinced.” Assistant Secretary Campbell then held a meeting with special adviser Nagashima and again expressed Washington’s concern that the plan could result in a severe disruption of Sino-Japanese relations.⁵⁸

Prime Minister Noda and President Hu held a short informal meeting the following day. Hu condemned Ishihara and called Japanese moves to strengthen administrative control over the Senkakus “invalid.” The Chinese president emphasized that Beijing considered it “illegal to nationalize the Senkaku Islands” and implored Noda to “fully recognize the seriousness of the situation.” Chinese diplomats had reportedly counseled their leader to make sure the “weight of [his] words” was understood, hoping Hu’s diplomacy would at least delay Japanese plans. Prime Minister Noda replied that Japan wanted to deal with the Senkaku dispute “from a broad perspective” and avoid derailing the entire relationship over a single issue. Noda apparently did not inform President Hu of his decision to purchase the islands.⁵⁹

55. Przystup, “Happy 40th Anniversary;” “Senkaku Snafu,” *Japan Times*; “Inside Look,” *Asahi Shimbun*; “Insight: Main Battle,” *Asahi Shimbun*.

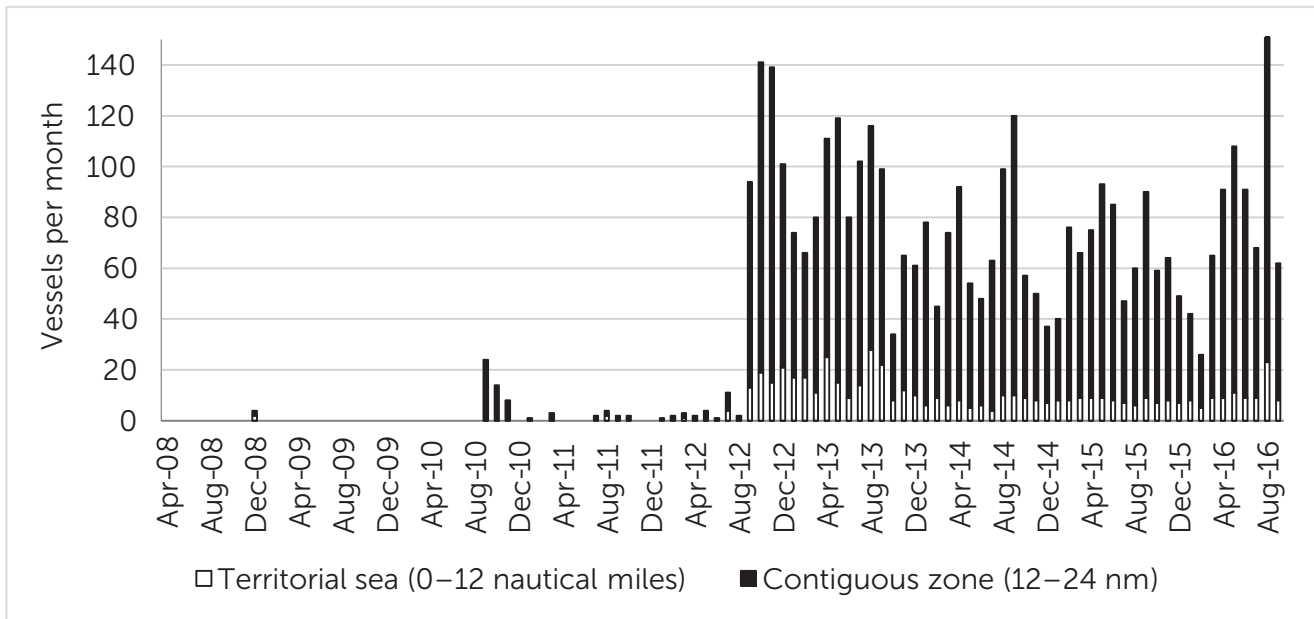
56. “Insight: Main Battle,” *Asahi Shimbun*.

57. “Inside Look,” *Asahi Shimbun*; “Senkaku Snafu,” *Japan Times*.

58. Oshima, “Reality Check.”

59. Przystup, “Happy 40th Anniversary;” “Senkaku Snafu,” *Japan Times*; “Inside Look,” *Asahi Shimbun*.

Figure 3.9. Chinese Maritime Law Enforcement Patrols Near the Senkakus (2008–2016)



Source: Japanese MOFA, “Trends in Chinese Government and Other Vessels,” October 2016.

On September 11, Chief Cabinet Secretary Fujimura announced that the Noda administration had signed a contract to purchase Uotsuri Island, Kita Islet, and Minami Islet from Kurihara. The two parties would formally complete the transaction by the end of September. Fujimura justified the move as an effort to secure the islands’ “peaceful and stable management.” Japan’s view was that the ownership transfer “should not cause problems with other countries in the region.” Foreign Minister Gemba repeated that Japan did not recognize the existence of a territorial dispute over the Senkakus and echoed Fujimura’s remarks about Japan’s benign intentions. Gemba stressed that the Sino-Japanese relationship was one of Tokyo’s “most important” and urged Beijing to “calmly deal with the issue from a comprehensive viewpoint.” Gemba noted that he had sent Director-General Sugiyama to Beijing to clarify the central government’s decision.⁶⁰

Prime Minister Noda and his aides later admitted they underestimated the strength of China’s reaction. China’s foreign ministry warned, “Long gone are the days when the Chinese nation was subject to bullying and humiliation from others. . . . The Chinese government will not sit idly by watching its territorial sovereignty being infringed upon.” The foreign ministry called Japan’s “so-called ‘purchase’ . . . a gross violation of China’s sovereignty over its own territory and is highly offensive to the 1.3 billion Chinese people.” Officials expressed “firm opposition” to this “totally illegal and invalid” move and warned Tokyo it alone would be responsible for the “serious consequences” of its decision. A Chinese spokesperson expressed hope that Japan would “change their wrong actions and create conditions for improvement and development of Sino-Japanese

60. Tom Philipps and Julian Ryall, “China Deploys Two Warships after Tokyo Announces Disputed Island Purchase,” *Telegraph*, September 11, 2012; Przystup, “Happy 40th Anniversary.”

relations.” The *Global Times* called on Chinese leaders to prepare for a possible “confrontation between China and the U.S.-Japan alliance.”⁶¹

Meanwhile, Xinhua announced that two unarmed China Marine Surveillance patrol vessels, the CMS 46 and CMS 49, had been dispatched to the disputed islands to “assert the country’s sovereignty.” This deployment marked the start of a regular Chinese maritime presence in the vicinity of the Senkakus that was unprecedented in its scale and persistence. On September 20 alone, 10 China Marine Surveillance patrol ships were spotted in the islands’ contiguous zone or territorial sea. By December 13, Chinese government ships had already patrolled the territorial waters of the Senkakus 17 times. When challenged by the Japan Coast Guard, the vessels would demand that Japan withdraw from Chinese sovereign waters. Asked about the regular patrols, a Chinese spokesperson stated that the Chinese military and maritime law enforcement agencies had a “sacred duty to defend national territorial sovereignty as well as maritime rights and interest.” The spokesperson emphasized that the ships “will continue to perform duties in waters off the Diaoyu Islands.”⁶² Chinese patrols appeared to be complemented by increased Chinese military activities over the horizon, with a Chinese defense ministry spokesperson warning that the People’s Liberation Army was “watching closely the evolution of the situation and reserve[d] the right to take reciprocal measures.”⁶³

On October 16, seven PLA Navy warships returning from exercises in the Western Pacific passed through the contiguous zone near Japan’s Yonaguni Island. This was the first time Chinese naval vessels had transited through the contiguous zone near the main islands in the Ryukyu chain. On November 28, four PLA Navy ships again entered Japan’s contiguous zone as they passed through its southwestern islands and returned through the same waters on December 10.⁶⁴ China also ramped up its presence in the airspace above the East China Sea, prompting the Japan Air Self-Defense Force to scramble nearly 300 times in fiscal year 2012, up from about 150 times the previous year. On December 12, 2012, a China Marine Surveillance Y-12 II aircraft flew directly through the territorial airspace above Uotsuri Island—the first time any Chinese state aircraft had entered Japanese-administered airspace over the island group.⁶⁵

By the end of September, half of the entire Japan Coast Guard was deployed to the Senkakus to monitor Chinese vessels, demonstrate Japanese sovereignty, and prevent further landings by activists. These deployments threatened to “exhaust” Japan’s available resources and readiness. Senior Japanese coast guard and foreign ministry officials began to suspect that Beijing’s objective in

61. Ibid; “Senkaku Snafu,” *Japan Times*.

62. Przystup, “Happy 40th Anniversary”; Philipps and Ryall, “China Deploys Two Warships after Tokyo Announces Disputed Island Purchase.”

63. Japanese MOD, “China’s Activities Surrounding Japan’s Airspace,” accessed January 19, 2016, http://www.mod.go.jp/e/d_act/ryouku/; Przystup, “Happy 40th Anniversary”; “U.S. Calls for ‘Cooler Heads’ in China-Japan Islands Row,” BBC News, September 12, 2012.

64. Przystup, “Happy 40th Anniversary.”

65. These numbers have continued to increase, with over 400 scrambles in fiscal year 2013 and over 450 in fiscal year 2014. Przystup, “Happy 40th Anniversary”; Japanese MOD, “China’s Activities Surrounding Japan’s Airspace”; “U.S. Calls for ‘Cooler Heads,’” BBC News.

“normalizing the activity” was to gradually erode Japanese administration of the islands or force Japan to recognize the existence of a territorial dispute. Realizing the danger of further escalation, Prime Minister Noda prevented Defense Minister Satoshi Morimoto from sending Japan Maritime Self-Defense Force vessels into the area. The prime minister instructed Morimoto to “just keep monitoring it, in the conventional way.” During a visit to Beijing, Japanese director-general Sugiyama emphasized the risk of a downward spiral if the use of force “red line” were crossed.⁶⁶

To help counter China’s increased operational tempo, Japan sought assistance from the United States. On September 17, U.S. secretary of defense Leon Panetta held talks with senior Japanese officials in Tokyo. Panetta reaffirmed the applicability of the U.S.-Japan Security Treaty to the Senkakus in meetings with Defense Minister Morimoto and Foreign Minister Gamba. In a press briefing after the consultations, Secretary Panetta stated publicly that the United States would fulfill its treaty obligations if need be. Panetta warned, “When these countries engage in provocations of one kind or another over these various islands, . . . it raises the possibility that a misjudgment on one side or the other could result in violence, and could result in conflict.” He called on both countries to avoid further unilateral actions and reiterated Washington’s neutrality with respect to the underlying sovereignty dispute.⁶⁷

In Beijing on September 18, Secretary Panetta warned Chinese defense minister Liang Guanglie that the Senkakus were covered by the U.S. alliance. Liang voiced “strong opposition” and the next day Vice President Xi Jinping said China hoped the United States “does not interfere in the territorial dispute.” Some Chinese officials reportedly suspected that the United States had goaded Japan into pursuing nationalization.⁶⁸

As Chinese maritime pressure persisted, various parties called on the United States to clarify its support for Japan. In October, a political counselor from the Japanese embassy presented Tokyo’s view on the Senkakus issue to the staff of the U.S. Senate Foreign Relations Committee in Washington. Up to this point, the official U.S. position was to “oppose any unilateral action to change the status quo.” Yet this stance was awkward considering Japan’s role in the current crisis. Moreover, Japanese representatives communicated their fear that China’s near-constant coast guard presence near the Senkakus could undermine Japanese administrative control and also U.S. alliance obligations. As a result, the committee agreed to attach a Sense of Congress to the Fiscal Year 2013 National Defense Authorization Bill. The wording strengthened U.S. declaratory policy, stating that “the unilateral action of a third party will not affect the United States’ acknowledgment of the administration of Japan over the Senkaku Islands.” Secretary Clinton reaffirmed this decision at a January 2013 joint press conference with newly installed Japanese foreign minister Fumio Kishida. In comments Japanese officials described as “extremely major and significant,” Clinton explained that “although the United States does not take a position on the ultimate

66. “Inside Look,” *Asahi Shimbun*; Przystup, “Happy 40th Anniversary.”

67. “U.S. Wades into China-Japan Island Dispute with Missile Defense Deal,” *Russia Today*, September 17, 2012; Takashi Oshima and Kenji Minemura, “Panetta Tells China That Senkakus under Japan-U.S. Security Treaty,” *Asahi Shimbun*, September 21, 2012.

68. *Ibid.*

sovereignty of the islands, we acknowledge they are under the administration of Japan and we oppose any unilateral action that would seek to undermine Japanese administration.”⁶⁹

Japan’s September 11 announcement was also met by a large wave of anti-Japan protests throughout China. Protestors first appeared outside the Japanese embassy in Beijing on September 12. On September 15, thousands of demonstrators gathered outside the embassy, chanted slogans, and burned Japanese flags as police monitored the situation. In Guangzhou, looters smashed a Japanese hotel adjacent to the consulate before being chased away by hundreds of security officers. In Shenzhen, police fired tear gas at protestors, and a Sony department store was vandalized. In Qingdao, 10 Japanese companies reported attacks, including Toyota. A Panasonic factory in Shandong was also the victim of arson. The wave of protests reached a peak on September 18, the 81st anniversary of the 1931 Mukden incident. Tens of thousands of demonstrators turned out in nearly 100 cities across China. The city of Xi’an banned large-scale protests, and People’s Armed Police paramilitary troops provided security to the Japanese consulate in Shanghai. Violent protestors were arrested in Qingdao and Guangzhou. Chinese authorities deployed riot police across the country the following day and largely suppressed the remaining demonstrations. These were by far the largest anti-Japan protests in China since 2005. According to reports, Prime Minister Noda angrily asked his aides if China was going to approve “yakiuchi” against Japan—a Japanese word for “military-style arson used in battle.” Meanwhile, a Chinese spokesperson placed the blame for the protests squarely on Japan.⁷⁰

An unofficial boycott of Japanese goods gained momentum as tensions rose. It quickly spread from Japanese automobiles to pharmaceuticals and construction. By the end of November, China’s State Information Center estimated that Japanese automakers’ market share had fallen from 23 percent to 14 percent. Japanese clothing manufacturers reported delays in customs clearance procedures—possibly an unofficial Chinese state sanction against Japan. Chinese travel agencies also reportedly received orders from China’s National Tourism Administration to advise tourist groups not to choose Japan as a destination. For the rest of 2012, Chinese tourist bookings to Japan fell by approximately 50 percent. Overall, Tokyo estimated that Japanese companies suffered losses of over \$100 million.⁷¹

Chinese leaders also took a number of official measures against Japan. At China’s insistence, an exchange of young authors scheduled for September 17 to 18 in Tokyo was suspended. On September 23, China announced that it was canceling formal celebrations for the 40th anniversary of the normalization of China-Japan ties. The commemorative event was supposed to be held at the Great Hall of the People in Beijing on September 27, but instead a small Japanese delegation was invited to a scaled-down ceremony, which turned out to be a tense one-hour discussion on the Senkakus with Jia Qinglin, the fourth ranking member of the Politburo Standing Committee. The

69. Oshima, “Reality Check”; Przystup, “Happy 40th Anniversary”; Hillary Clinton, “Remarks with Japanese Foreign Minister Fumio Kishida after Their Meeting” (press conference, U.S. Department of State, January 18, 2013).

70. Brian Spegele and Takashi Nakamichi, “Anti-Japan Protests Mount in China,” *Wall Street Journal*, September 16, 2012; Przystup, “Happy 40th Anniversary”; “Inside Look,” *Asahi Shimbun*; “Clampdown on Anti-Japan Protests,” Radio Free Asia, September 19, 2012.

71. Przystup, “Happy 40th Anniversary.”

new Japan-China High-Level Consultation on Maritime Affairs was also unofficially suspended for the following two years.⁷²

Phase V: Gradual Détente, but Tensions Remain Elevated

It was not until a full year after the crisis, in September 2013, that Chinese paramilitary activities near the Senkakus began to decline. China continued now-routinized patrols near the Senkakus at a rate of several per month from 2012 onward. This was a significant increase from China's nearly nonexistent presence prior to September 2012. Some observers saw the September 2013 decrease as a signal that Beijing had decided to mend Sino-Japanese ties to limit the potential for military escalation.⁷³ In early 2013, Taiwan had also broken ranks with China to conclude a new fisheries agreement with Japan after 17 years of negotiations. It allowed for joint development of the waters around the Senkakus excluding the islands' territorial waters, which remained in dispute.⁷⁴ During an April 2014 state visit to Tokyo, President Obama further clarified U.S. declaratory policy by becoming the first sitting U.S. president to affirm that the Senkakus are covered by the U.S.-Japan security treaty. He also echoed former secretary of state Hillary Clinton's remarks that U.S. treaty obligations would not be affected by Chinese actions to undermine Japanese administration of the islands.⁷⁵

On September 23, 2014, Tokyo and Beijing finally resumed the High-Level Consultation on Maritime Affairs. On November 7, China and Japan reached a Four-Point Agreement to "improve bilateral ties, agreeing to resume political, diplomatic and security dialogue while acknowledging different positions" on the Senkakus. They pledged to gradually rebuild mutual trust and to prevent the Senkakus situation from escalating by relying on dialogue, consultation, and crisis management mechanisms. Prime Minister Shinzo Abe and President Xi Jinping then held their first meeting on the sidelines of an Asia-Pacific Economic Cooperation forum in Beijing on November 10.⁷⁶ Despite the resumption of diplomatic ties, both Japan and China continue regular patrols of the Senkakus, leaving open the possibility of another incident.

Conclusions

First, the dynamics of the 2010 trawler incident led directly to the nationalization crisis of 2012. Beijing's heavy-handed efforts to coerce Japan into releasing the fishing captain in September 2010 heightened Japan's subsequent sense of insecurity. China and Japan made progress on maritime

72. Ibid.

73. See M. Taylor Fravel and Alastair Iain Johnston, "Chinese Signaling in the East China Sea?," *Washington Post*, April 12, 2014.

74. Isabel Reynolds and Adela Lin, "Japan Reaches Fishing Agreement with Taiwan over China Objection," Bloomberg, April 10, 2013; Tetsuo Kotani, "The Japan-Taiwan Fishery Agreement: Strategic Success, Tactical Failure?," Asia Maritime Transparency Initiative, October 20, 2015.

75. White House, "Joint Press Conference with President Obama and Prime Minister Abe of Japan" (press conference, Akasaka Palace, Tokyo, April 24, 2014); "Q&A: Japan's Yomiuri Shimbun Interviews President Obama," *Washington Post*, April 23, 2014.

76. Japanese MOFA, "The Second Round Meeting of Japan-China High-Level Consultation on Maritime Affairs," press release, September 24, 2014; "China, Japan Reach Four-Point Agreement on Ties," Xinhua, November 7, 2014; Jonathan Kaiman, "Japan's Abe and China's Xi Hold Ice-Breaking Meeting as APEC Starts," *Guardian*, November 10, 2014.

consultations in the interim, yet Japan grew increasingly concerned about China's growing military and paramilitary movements in the East China Sea and beyond. Tokyo's elevated threat perception led it to take steps it probably wrongly believed were necessary to ensure its own security, misinterpreting the motives behind China's own increasing frustration with Japan's approach toward their territorial dispute. Beijing felt forced to respond to what it perceived as a Japanese attempt to overturn a long-standing tacit agreement to shelve the dispute. China, in turn, failed to recognize the role its own increasing power and assertiveness played in bringing about the crisis in the first place.

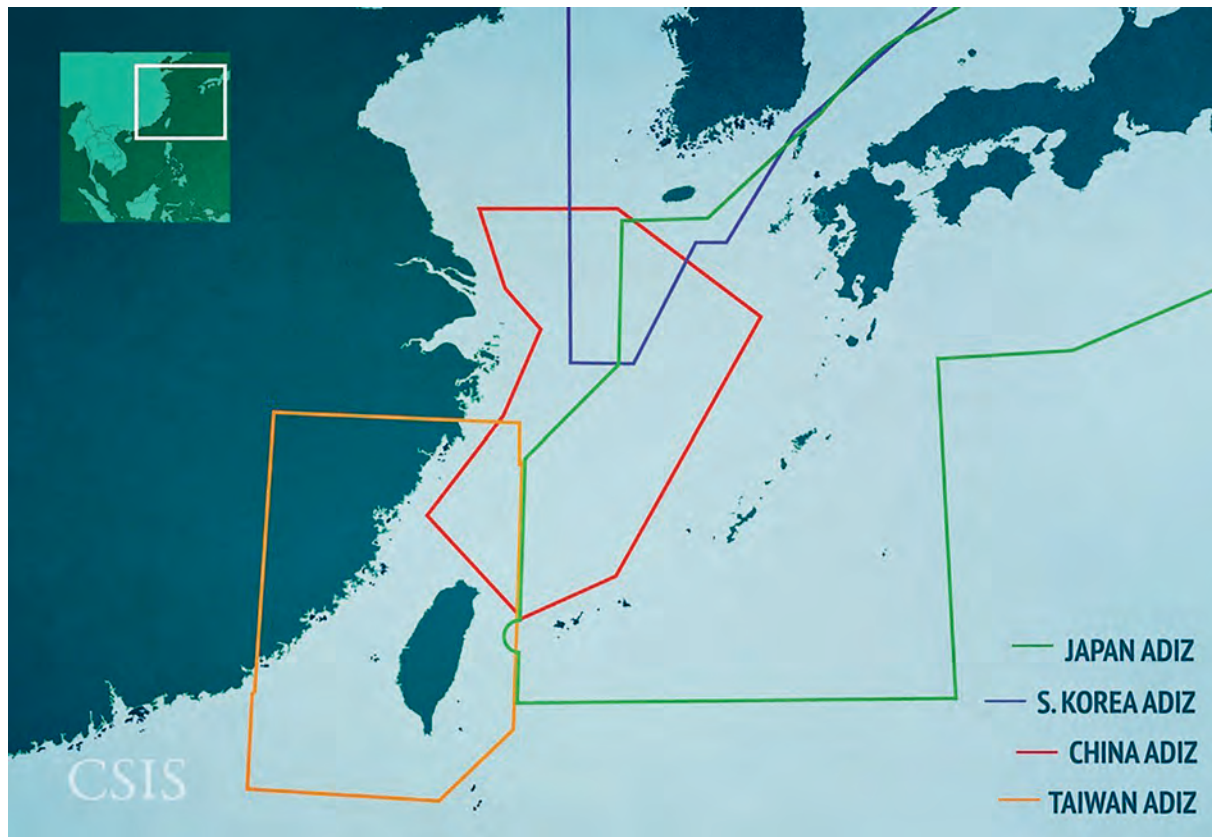
Second, Japanese domestic politics played a more complex and yet also less vital role in the nationalization decision than the conventional wisdom suggests. The ruling Democratic Party of Japan did feel pressure from Governor Ishihara and others in the Liberal Democratic Party, and the Tokyo governor's plan constituted a proximate cause for the crisis. Yet Prime Minister Noda, his advisers, and many in and out of government also believed that strengthening the national government's control over the Senkakus was ultimately necessary for Japanese security. The leaders of both major parties believed that Japan had to send a signal of resolve to Beijing in order to ward off any potential attempt to seize the disputed islands. Governor Ishihara also had complicated ulterior motives in seeking to prod the national government toward action.

Third, poor communication between Tokyo, Beijing, and Washington deepened the crisis. Japanese leaders were apparently convinced that their counterparts in China would accept the nationalization decision as a least bad option. This was based on a fundamental misreading of the situation, as well as an underestimation of Beijing's suspicions that Japan was actually using Governor Ishihara as an excuse to unilaterally change the status quo. Japanese officials also failed to inform China about their decision on multiple occasions, despite telling Washington that Beijing approved of it. Chinese leaders, for their part, may not have clearly conveyed the magnitude of their likely reaction. Chinese signaling neither reassured nor deterred Japan from fulfilling its decision. Despite their reservations about Japan's plan, U.S. officials were likewise unable or unwilling to dissuade Tokyo, which led to greater fears of abandonment and entrapment between the two alliance partners after China's forceful response.

Fourth, despite tensions, U.S. support and Japan's moderate approach at sea ultimately helped avoid a major Sino-Japanese clash. The United States was willing to reaffirm its treaty commitments to Japan despite concerns that Tokyo was worsening the territorial dispute. U.S. leaders were determined to ensure that Japan not be forced to abandon its claims under pressure from China or suffer an armed attack, regardless of the circumstances that led to the immediate crisis. Japan, likewise, responded to Chinese maritime patrols in the vicinity of the Senkakus firmly but responsibly. Tokyo matched Beijing's escalation by escorting Chinese maritime law enforcement deployments through the contiguous zone and territorial sea of the islands with its own coast guard vessels. However, Japan chose not to militarize the dispute or use force to expel the Chinese ships. Beijing also appears to have decided not to take more provocative steps that would have led to an armed conflict, such as attempting to seize or occupy the islands. The East China Sea remains substantially less secure than before nationalization. Yet a limited détente has emerged over time, and Chinese and Japanese officials have sought to avoid another crisis.

CASE 5: EAST CHINA SEA AIR DEFENSE IDENTIFICATION ZONE (2013)

Figure 3.10. Overlapping ADIZs in the East China Sea



Not pictured: Philippine ADIZ.

Overview

On November 23, 2013, Beijing announced its first air defense identification zone (ADIZ) to better monitor and control international airspace in much of the East China Sea. The United States, Japan, and other regional states quickly criticized the decision, particularly for its perceived coercive intent; the application of rules to foreign aircraft transiting the zone but not entering Chinese national airspace; inclusion of airspace above disputed territory; overlap with the existing ADIZs of other states; and threats of “emergency defensive measures” against noncompliance. U.S. criticism also focused on a lack of prior consultation, although Beijing did inform at least some officials in Seoul and Tokyo ahead of time. Due to the announcement and concerns about its enforcement, the United States, Japan, and South Korea all deployed military aircraft to transit the China’s East China Sea ADIZ without prior submission of flight plans. South Korea also significantly expanded its own zone after Beijing refused to redraw it. On the other hand, most countries ultimately chose to accommodate China’s requirements for commercial airlines. The region nevertheless expressed fear about China establishing additional ADIZs, in particular in the South China Sea. Facing strong if uneven criticism, Beijing seemed to backpedal diplomatically. It also appeared to exhibit difficulty in effectively monitoring its existing zone.

BOX 3.5. Background on Air Defense Identification Zones

The U.S. government defines an air defense identification zone as a designated “area of airspace over land or water, extending upward from the surface, within which the ready identification, the location, and the control of aircraft are required in the interest of national security.”¹ Countries typically establish ADIZs to help their aviation authorities distinguish between foreign civil and military aircraft and to give their armed forces adequate early warning about possibly hostile aircraft. These zones are usually located off the shores of coastal nations. They are often geographically expansive. ADIZs are distinct from Flight Information Regions, by which the International Civil Aviation Organization regulates commercial air traffic through international agreement. In contrast, an ADIZ is usually established for self-defense.

No codified body of international law governs the establishment of air traffic procedures within ADIZs. The 1944 Chicago Convention on International Civil Aviation permits states to forbid the entry of aircraft into their territorial airspace; it says nothing about a right to regulate activities in international airspace. The 1982 UN Convention on the Law of the Sea is likewise silent on the regulation of nonsovereign airspace.² Instead, ADIZs are a matter of customary international law arising from state practice—namely that of the United States. In 1948, the U.S. Air Force unilaterally established several “active defense areas” or “defense zones” in offshore areas around the continental United States to address the risk of a Soviet surprise attack.³ It later redesignated these zones as the world’s first ADIZs. Five zones were eventually established around North America. Washington also drew national ADIZs for South Korea, Taiwan, Japan, and the Philippines. Between 1969 and 1972, Tokyo codified and expanded its U.S.-drawn zone to cover territories returned in the 1971 Okinawa reversion, including the Senkaku Islands.⁴ Today, more than 20 countries from India to North Korea have official or “unofficial” ADIZs.⁵

As a result, there is little international consensus on ADIZ rules and norms. According to a U.S. Navy handbook, Washington requires identification from aircraft approaching U.S. national airspace on the basis of the “right of a nation to establish reasonable conditions of entry into its territory.” Conversely, the United States insists it does not recognize “the right of a coastal nation to apply its ADIZ procedures to foreign aircraft not intending to enter national airspace,” especially military aircraft.⁶ Many (maybe most) states dispute this interpretation. The written ADIZ guidelines of at least Australia, Canada, Japan, Myanmar, the Philippines, South Korea, and Taiwan all require aircraft flying through their zones to file flight plans regardless of destination.⁷ China and a minority of other countries have also long sought to regulate foreign military activities near their coasts but beyond their territorial airspace, whereas the United States asserts the right to “fly, sail and operate wherever international law allows.” U.S. reconnaissance aircraft, for example, often conduct missions with their radio transponders turned off.⁸

On paper and in practice, however, even U.S. ADIZ regulations are ambiguous or inconsistent about applicability to state versus civil aircraft and for nature of destination. U.S. authorities ask Russia to submit flight plans before its bombers cross the Alaska ADIZ.⁹ Moreover, not officially “applying an ADIZ” to foreign military aircraft does not mean coastal states then refrain from monitoring or scrambling fighters to intercept and escort them. Finally, there is no consensus on how to handle

(continued)

BOX 3.5. (Continued)

overlapping ADIZs or the inclusion of contested territory (Figure 3.10). The ADIZs of Japan, Taiwan, South Korea, the Philippines, Vietnam, and (now) China all cover disputed territory, in many cases land features effectively controlled by other states.

1. U.S. Federal Aviation Administration, Pilot/Controller Glossary (PCG), an addendum to the Aeronautical Information Manual, Order JO 7110.65W, Air Traffic Control, December 10, 2015, A-4.
2. "Convention on International Civil Aviation," August 12, 1944, p. 298; "United Nations Convention on the Law of the Sea," December 10, 1982, p. 27.
3. Kenneth Schaffel, *The Emerging Shield: The Air Force and the Evolution of Continental Air Defense 1945–1960* (Washington, DC: Office of Air Force History, 1991).
4. Zhou Yongsheng, "China Will Not Revoke ADIZ, Due to Its Military and Diplomatic Necessity," *Global Times*, December 4, 2013.
5. Ian E. Rinehart and Bart Elias, *China's Air Defense Identification Zone (ADIZ)*, CRS Report R43894 (Washington, DC: Congressional Research Service, January 2015), 2–3.
6. U.S. Department of the Navy, *The Commander's Handbook on the Law of Naval Operations*, NWP 1-14M (Newport, RI: U.S. Naval War College, 2007), sect. 2.7.2.3; Rinehart and Elias, *China's Air Defense Identification Zone*, 5.
7. Rinehart and Elias, *China's Air Defense Identification Zone*, 4; Michael D. Swaine, "Chinese Views and Commentary on the East China Sea Air Defense Identification Zone (ECS ADIZ)," *China Leadership Monitor* 43 (Spring 2014): 5; Transport Canada, *Canadian Aviation Regulations* (2014), CAR 602.145.
8. Peter Dutton, ed., *Military Activities in the EEZ* (Newport, RI: China Maritime Studies Institute, U.S. Naval War College, 2010); "Carter Says U.S. Will Sail, Fly and Operate Wherever International Law Allows," Reuters, October 13, 2015; Julian E. Barnes, "NATO Rejects Russian Air-Safety Proposal for Planes in Baltic Region," Reuters, September 20, 2016.
9. See U.S. Code of Federal Regulations, 14 CFR Part 99; U.S. Federal Aviation Administration, *Aeronautical Information Manual* (Washington, DC: Department of Transportation, 2015), 5-6-1; Bill Gertz, "Russia Conducts Nuclear Bomber Flight Near Alaska," *Free Beacon*, May 1, 2015; Peter Dutton, "Caelum Liberam: Air Defense Identification Zones outside Sovereign Airspace," *American Journal of International Law* 103, no. 4 (October 2009): 9–10.

Timeline

	China	Region	United States
Phase I: China considers declaring ADIZ			
May 2010	Discusses plan, proposes overlap rules with Japan	Tokyo refuses proposal and expands own ADIZ	
Phase II: Finalizes plan, consults South Korea			
Aug 2013	Leadership approves plan		
Nov	Notifies Seoul of ADIZ decision and overlap	Korea conveys regret but also desire for dialogue	
Phase III: Beijing declares East China Sea ADIZ			
Nov 23	Announces ADIZ, with only 1-hr notice to U.S.	Taiwan voices concern, but civil airlines comply	High-level public and private protests
	Sends 1st ADIZ patrol	Japan scrambles fighters	Reaffirms treaty obligations
Phase IV: U.S. and others oppose with military flythroughs			
Nov 25	Refuses Tokyo's demand	Japan demands rollback	
Nov 26	Claims to monitor, but does not intercept aircraft	Japan orders airlines to ignore ADIZ	Flies bombers through ADIZ near Senkakus
Nov 28	Refuses Seoul's demand	Korea demands revision, sends aircraft into ADIZ	
Nov 29	Reports fighter scramble	2nd U.S.-Japan ADIZ flythrough	
	Welcomes U.S. decision		Civil airliners comply
Nov 30	Rejects ICAO efforts	Japan, U.S., and others call on ICAO to intervene	
Dec 8–9	Expresses concern	Korea expands own ADIZ after consultations	Welcomes manner of Seoul's announcement
Dec 13		Japan-Korea drill inside ADIZ, but Korean civil airliners comply	
Phase V: Potential for additional Chinese ADIZs			
Jan 2014	Says new ADIZs will "depend on threat"		

Incident Details

Phase I: China Considers Declaring ADIZ

China first considered creating an ADIZ in 2001 after a well-known midair collision between a Chinese fighter jet and a U.S. EP-3 reconnaissance aircraft. The following year, a senior People's Liberation Army official alerted participants at an international conference to the possibility of China eventually establishing an ADIZ. The PLA Air Force eventually submitted its first ADIZ proposal to China's National People's Congress in advance of the 2008 Olympic Games. This recommendation covered both the East China Sea and the Taiwan Strait. Discussions about Chinese ADIZs also appeared in a Chinese military journal the same year.¹

In May 2010, Chinese and Japanese officials held an important, quasi-official meeting on the possibility of Chinese ADIZs at the China Institute of International Studies, a government think tank affiliated with the Ministry of Foreign Affairs. Vice Foreign Minister Wang Yingfan led the Chinese delegation. He was accompanied by officials from the PLA Naval Military Studies Research Institute, Academy of Military Science, National Defense University, National University of Defense Technology, and other military institutions. A former Japanese deputy chief cabinet secretary, Nobuo Ishihara, led the more informal mission from Tokyo. Ishihara was joined most prominently by Satoshi Arai, a special adviser to Prime Minister Yukio Hatoyama and the national strategy and economics minister under Hatoyama's successor, Naoto Kan. The team also included several former Japanese administrative vice ministers. Current Japanese foreign and defense ministry bureaucrats participated as "observers."²

At this meeting, China informed the Japanese delegation that it had actually "already" established an ADIZ—only Beijing had not yet gone public with it. A PLA Navy commodore presented a map depicting an ADIZ in the East China Sea. Its borders were "nearly identical" to those China eventually declared in November 2013. Chinese leaders noted that these ADIZ boundaries roughly paralleled those of China's claimed exclusive economic zone and extended continental shelf. This suggested that Beijing was using the 1982 UN Convention on the Law of the Sea as a guide. The Chinese naval officer also noted that the new ADIZ would overlap with roughly 100 nautical miles of Japan's own ADIZ and include the Senkaku Islands. Acknowledging the friction this could add to the Sino-Japanese territorial dispute, the Chinese officer recommended that the two countries' air

1. Nozomu Hayashi and Nanae Kurashige, "China Overturned Draft Air Defense Zone, Expanded It toward Japan," *Asahi Shimbun*, January 12, 2014; Michael Swaine, "Chinese Views and Commentary on the East China Sea Air Defense Identification Zone (ECS ADIZ)," *China Leadership Monitor* 43 (Spring 2014): 10, 43–44; Peter Dutton, "Caelum Liberam: Air Defense Identification Zones outside Sovereign Airspace," *American Journal of International Law* 103, no. 4 (October 2009): 1.

2. Details about this meeting come from a single Japanese news source, whose author acquired classified minutes of the conference in late 2013. The relevant article has since been removed from the newspaper's digital archives, and even cached copies were later deleted. The Japanese foreign and defense ministries offered no comment after the leak. "Chinese Officers Told Japan about Expanded Air Defense Zone in 2010," *Mainichi Shimbun*, January 1, 2014. For commentary on this leak, see Patrick Bohler, "China's PLA Informed Japan on ADIZ in 2010: Report," *South China Morning Post*, January 2, 2014; John Hofilena, "Newly Published Report Says China Informed Japan of Air Defense Zone Plan in 2010," *Japan Daily Press*, January 2, 2014; J. Michael Cole, "Senkaku Weirdness to Start Off the Year," *Diplomat*, January 3, 2014.

forces quickly establish rules of behavior for air-to-air encounters to prevent accidents in the overlapping airspace. Another Chinese official asked the Japanese delegation, “What shall we do about China’s and Japan’s overlapping ADIZ?”³

The Japanese delegation did not accept China’s proposition. They reportedly worried that acknowledging a Chinese ADIZ above the Senkakus would jeopardize Tokyo’s diplomatic position; since 2010, Japan had officially refused to recognize the existence of a territorial dispute over the islands. As a result, a Japanese ministry of defense official replied, “China has not announced this ADIZ to the international community, so it is impossible to say where our air defense zones overlap. As such, I cannot make any further comment.” The Japanese officials did not explicitly condemn China’s plans. They relayed China’s intentions back to Tokyo following this meeting. Neither China nor Japan publicly revealed the existence of this meeting in the years leading up to November 2013. It is unknown whether Japan informed the United States about this conference or its decision to rebuff China’s offer to discuss confidence-building measures.⁴

Japan made a small revision to its own ADIZ a few days after the meeting in Beijing. Tokyo notified Taiwan that it had decided to expand the western edge of Japan’s East China Sea ADIZ by 14 nautical miles. This created a small overlap with Taiwan’s own ADIZ. Drawn by the United States after World War II, the original boundary line between the two countries’ zones had left two thirds of Yonaguni Island—Japan’s westernmost territory—within Taiwan’s ADIZ rather than Japan’s. The decision to redraw the Japanese ADIZ in May 2010 was widely seen as part of broader plans to fortify Yonaguni and the rest of the Ryukyu Islands to counter China’s growing maritime capabilities.⁵ However, Tokyo had only redrawn its ADIZ boundaries once before in 1972, so the close proximity to China’s ADIZ briefing is notable. Taiwan’s foreign ministry rejected Japan’s ADIZ expansion later that month. It cited sovereignty concerns and, in particular, frustrations with the consultation process. Japanese diplomats notified their Taiwanese counterparts again before officially announcing the revision in June, which elicited “extreme regret” from Taipei. A Japanese official stated that Taiwan had been informed as a “courtesy,” but “given international norms that ADIZ demarcation is at the discretion of each country, it was natural for Japan not to seek prior approval from Taiwan.”⁶

Phase II: Finalizes Plan, Consults South Korea

The PLA Air Force Command College submitted a draft proposal for an East China Sea ADIZ in May 2013. At President Xi Jinping’s directive, the proposal was approved in August by the Central Committee of the Communist Party of China, the State Council, and the Central Military Commission. The same month, the PLA publicly indicated that it was considering an ADIZ. According to a 2014 Japanese press report, Tokyo was somehow already aware at this time that China’s ADIZ

3. “Chinese Officers Told Japan,” *Mainichi Shimbun*.

4. *Ibid.*

5. Martin Fackler, “Japanese Isle in Sea of Contention Weighs Fist versus Open Hand,” *New York Times*, February 10, 2011.

6. “MOFA Rejects Japan Bid to Extend Airspace,” *China Post*, May 30, 2010; Shih Hsiu-Chuan, “Japan Extends ADIZ into Taiwan Space,” *Taipei Times*, June 26, 2010.

preparations had entered their final stage. A leaked PLA document later indicated other states' push for "marine boundaries disadvantageous to our country" and China's need to control its "maritime resources" partly motivated the ADIZ.⁷

In large part, China's desire to achieve maritime parity with Tokyo also drove its ADIZ announcement. Prior to 2013, Chinese diplomats had complained for years about a U.S.-Japan "double standard" when it comes to ADIZ procedures. The Japanese ministry of defense releases quarterly statistics that paint an alarming picture of China's growing military activities in areas "surrounding Japan's airspace." As scholars have spotlighted, however, a close look at this data shows that Tokyo has long been scrambling fighter jets against unarmed Chinese reconnaissance aircraft flying routine missions deep in international airspace. Japan has also occasionally launched fighters to intercept commercial aircraft in response to alleged ADIZ violations. Many analysts believe Japan's 2012 nationalization of the Senkaku Islands spurred Chinese leaders to look for ways to save face, punish Tokyo, and test its resolve as well.⁸

Reports suggest that the proposed zone extended roughly 200 nautical miles to the limit of China's claimed exclusive economic zone. A minimalist option was also put on the table in case a larger ADIZ was "considered unfeasible." This alternative aligned the eastern boundary of the Chinese ADIZ with Japan's proposed East China Sea median line. Ultimately, Beijing drew its ADIZ's eastern tip only 70 nm from the Japanese island of Kyushu—about the same distance as the nearest point of Japan's much older ADIZ to the Chinese coast. This border fell between China's exclusive economic zone and larger extended continental shelf claims in the East China Sea. Chinese leaders also added one of the more controversial features of China's ADIZ—the requirement that foreign aircraft transiting the zone file a flight plan with Chinese authorities even if not intending to enter Chinese territorial airspace—on top of the PLA Air Force draft. The original plan reportedly did not include this element.⁹

In early November, international media carried reports that China would soon declare an ADIZ that would overlap Japan's own.¹⁰ Several days before the announcement, Beijing then notified Seoul "through a diplomatic channel." Chinese diplomats informed their counterparts that China's zone would slightly overlap South Korea's own ADIZ, as well as cover the airspace above Socotra

7. Hayashi and Kurashige, "China Overturned Draft Air Defense Zone"; "Chinese Officers Told Japan," *Mainichi Shimbun*; *Asia Weekly* article cited in "China's Claims Bring on Changing Order in Northeast Asia," *Hankyoreh*, December 2, 2013; Jane Perlez, "Chinese Leader's Rise Came with New Attention to Dispute with Japan," *New York Times*, December 2, 2013; Ian E. Rinehart and Bart Elias, *China's Air Defense Identification Zone (ADIZ)*, CRS Report R43894 (Washington, DC: Congressional Research Service, 2015), 9; "China Eyeing Contentious Air Defense Zone in East China Sea: Paper," *Japan Times*, November 10, 2013.

8. Japanese MOD, "China's Activities Surrounding Japan's Airspace"; Eric Heginbotham, "The Foreign Policy Essay: China's ADIZ in the East China Sea," *Lawfare*, Brookings Institution, August 24, 2014; J. Michael Cole, "Japan, China Scramble Military Jets in East China Sea," *Diplomat*, January 12, 2013; Joseph Yeh, "Aircraft Intercepted by Japanese Military," *China Post*, December 3, 2013; M. Taylor Fravel, "China's Island Strategy: 'Redefine the Status Quo,'" *Diplomat*, November 1, 2012.

9. Hayashi and Kurashige, "China Overturned Draft Air Defense Zone"; "Background: Air Defense Identification Zones," *Global Times*, November 24, 2013; "Chinese Officers Told Japan," *Mainichi Shimbun*; "China Reports to UN Outer Limits of Continental Shelf in East China Sea," *Xinhua*, December 14, 2012.

10. "China Eyeing Contentious Air Defense Zone," *Japan Times*.

Rock—a submerged reef in the Yellow Sea that is occupied by South Korea but legally subject to a continental shelf dispute between China, Japan, and South Korea. At that time, Socotra and its controversial research station were actually covered by only Japan’s ADIZ. Seoul expressed “regret” at Beijing’s decision but also a desire to “continue consultations with the Chinese side to prevent the issue from undermining [Korea’s] national interest.” For their part, Chinese diplomats conveyed a “willingness to discuss the issue in a friendly manner.”¹¹

China may or may not have informed Taiwan in advance, as well. China’s ADIZ would soon significantly overlap Taiwan’s own. Although Defense Minister Yen Ming later stated that Beijing “did not consult with us beforehand,” Taipei’s muted reaction in the weeks after China’s announcement raised eyebrows across the region and in Washington.¹² The Chinese foreign ministry later indicated it had notified “relevant countries” of the ADIZ decision prior to the November 23 announcement.¹³ Press reports suggest that U.S. officials received less than one hour’s formal notice before China’s announcement. It would be surprising if the United States did not learn about the ADIZ beforehand through other channels. Nevertheless, the National Security Council senior director for Asia at the time, Evan Medeiros, stated after leaving office in 2016 that the United States “did not foresee” China’s East China Sea declaration.¹⁴

Phase III: Beijing Establishes East China Sea ADIZ

On November 23, 2013, the Ministry of National Defense officially declared the establishment of a Chinese air defense identification zone in the East China Sea. The ministry issued a rare type of statement typically reserved only for major government actions, equivalent to a direct statement from the Chinese general secretary, president, or premier. The press release was concise, announcing the ADIZ’s establishment and marking the geographic boundaries from the outer limit of China’s territorial sea to six coordinate points. It justified the decision on the basis of China’s 1995 Law on Civil Aviation, 1997 Law on National Defense, and 2001 Basic Rules on Flight.¹⁵

The Ministry of National Defense also issued a second ministerial statement. This document identified the Chinese defense ministry as the primary state organ authorized to administer the

11. “China Informed S. Korea of Air Defense Zone over East China Sea,” *Yonhap News*, November 25, 2013; Simon Denyer, “Obama’s Asia Rebalance Turns into Headache as China, Japan Relations Spiral Down,” *Washington Post*, January 23, 2014.

12. “Taiwan’s ADIZ Remains Unchanged: Defense Minister,” *Central News Agency*, December 2, 2013; “Taiwan Shows Restrained Reaction to China’s ADIZ,” *Asahi Shimbun*, November 30, 2013; J. Michael Cole, “China’s ADIZ: Taiwan’s Dilemma,” *Diplomat*, November 28, 2013.

13. The present authors have been unable to locate the original statement. Tim Kelly and Phil Stewart, “Defying China, U.S. Bombers and Japanese Planes Fly through New Air Zone,” Reuters, November 27, 2013.

14. Denyer, “Obama’s Asia Rebalance Turns into Headache”; Medeiros, “Obama’s Legacy in Asia,” interview by Bonnie Glaser.

15. The six coordinate points are 33°11’N, 121°47’E; 33°11’N, 125°00’E; 31°00’N, 128°20’E; 25°38’N, 125°00’E; 24°45’N, 123°00’E; and 26°44’N, 120°58’E. “Statement by the Government of the People’s Republic of China on Establishing the East China Sea Air Defense Identification Zone,” Xinhua, November 23, 2013. See also Paul H. B. Godwin and Alice L. Miller, *China’s Forbearance Has Limits: Chinese Threat and Retaliation Signaling and Its Implications for a Sino-American Military Confrontation* (Washington, DC: Institute for National Strategic Studies, 2013), 31–32; Swaine, “Chinese Views and Commentary on the East China Sea,” 2.

ADIZ and explain its procedures. It then outlined “aircraft identification rules” applicable to “aircraft flying in the East China Sea Air Defense Identification Zone” effective immediately. These regulations required that aircraft must

[1.] report their flight plans to the [foreign ministry] or the Civil Aviation Administration of China . . . [2.] maintain the two-way radio communications, and respond in a timely and accurate manner . . . [3.] keep the [secondary radar] transponder working throughout the entire course . . . [and 4.] clearly mark their nationalities and the logo of their registration identification in accordance with related international treaties.

At the bottom of this list was a vague warning that “China’s armed forces will adopt defensive emergency measures to respond to aircraft that do not cooperate in the identification or refuse to follow the instructions.”¹⁶

Later the same day, Chinese spokesperson Senior Colonel Yang Yujun presented official comments on the announcement. As “a maritime nation,” Yang stated, China established an ADIZ to better “guard against potential air threats” and help “defend” its sovereign airspace. Enforcement would allow China to “identify, monitor, control, and dispose of entering aircraft.” Noting the proximity of the ADIZ’s eastern tip to the Japanese main island of Kyushu, Yang explained that strategic depth was needed to ensure enough “early warning time” to scramble Chinese jets and “ascertain the purpose and attributes” of approaching foreign “combat aircraft” before they reached the mainland. Thus, the size of the zone was simply a “necessary measure in China’s exercise of self-defense rights” and targeted no particular nation. At the same time, however, Yang observed that Japan’s own ADIZ was just as close to the Chinese coast.¹⁷ The ministry’s carefully prepared statements reflected a recognition that the ADIZ might be controversial. Interviews with some Chinese experts, on the other hand, have led to the conclusion that defense officials did not “thoroughly consult” the foreign ministry before publishing its ADIZ rules and disseminating further commentary.¹⁸

An official map of China’s East China Sea ADIZ was released the same day. The new zone created large overlaps with those of Japan, Taiwan, and South Korea. It also enclosed the disputed Senkaku Islands and Socotra Rock. Beijing’s creation of an ADIZ covering disputed territories—especially those de facto administered by other states—was provocative but not unprecedented. Every ADIZ in East Asia includes contested land features. Taiwan’s contains a swathe of mainland China, and South Korea’s envelops a third of the North Korean landmass. In the Sea of Japan, Seoul’s ADIZ covers the Liancourt Rocks, a group of islets South Korea administers but Japan claims as well. In the South China Sea, the Philippines’ zone appears to include Scarborough Shoal (controlled by China since 2012). Vietnam’s ADIZ also extends above the Chinese-occupied

16. “Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the P.R.C.,” Xinhua, November 23, 2013.

17. “China Exclusive: Defense Ministry Spokesman Responds to Air Defense Identification Zone Questions,” Xinhua, November 23, 2013.

18. “Military Experts Explain China’s Air Defense Identification Zone,” Xinhua, November 23, 2013; “Air Defense Identification Zone a Strategic Decision: Experts,” Xinhua, November 24, 2013; Rinehart and Elias, *China’s Air Defense Identification Zone*, 9; Swaine, “Chinese Views and Commentary on the East China Sea,” 3.

Paracel Islands. As noted, Japan's zone contains both the Senkakus and Socotra Rock.¹⁹ In practice, draping an ADIZ over disputed territory is rarely a prelude to a land grab. For instance, the Republic of Korea's air force does not cross the Demilitarized Zone to police North Korean airspace. Taiwanese and Chinese fighter jets likewise abide by an informal agreement not to violate a median line dividing the Taiwan Strait.²⁰

In every public statement, Beijing's emphasized the view that its ADIZ was consistent with "common international practices." Senior Colonel Yang noted that over 20 countries, including Japan and the United States, had established one or more ADIZs since the 1950s. This was in accordance, the Chinese defense ministry argued, with the inherent right of self-defense enshrined in the UN Charter. China would "take timely measures to deal with air threats and unidentified flying objects from the sea," but the ADIZ would not affect "the normal flight of international flights in the zone," nor would it "change the legal nature of relevant airspace." China, the spokesperson underscored, had "always respected other countries' rights of free flight in accordance with international laws." He finished by mentioning that China would establish additional ADIZs "at an appropriate time after completing preparations."²¹ The Ministry of National Defense later justified its new procedures by stating, "There is no unified international rule as to how to ask other countries to report flight plans to the ADIZ demarcators."²²

U.S. and Japanese commentators voiced concerns that China was seeking to turn the East China Sea into some kind of no-fly zone for foreign military aircraft.²³ Foreign leaders worried that China would use its ADIZ to challenge intelligence, surveillance, and reconnaissance activities within the zone. A November 26 article by a Chinese defense official reinforced this concern, noting that "freedom of flight in accordance with international laws is not affected, therefore the zone will not affect any normal flight. However, this will not apply to provocative flyover and surveillance activities."²⁴ Further heightening concerns, Chinese officials disclosed on the day of the ADIZ announcement that large scouting aircraft, early warning aircraft, and fighter jets had

19. Philippine Air Force, "PAF Flight Plan 2028" (slides, June 2015), 9; David Lai, "A Few Questions about China's Air Defense Identification Zone and Its Aftermath," Strategic Studies Institute, March 21, 2014; Demetri Sevastopulo, "China Heightens Fears of Widening Tensions in Asian Airspace," *Financial Times*, November 29, 2013; Edisonone, "Other ADIZs around the World" (blog comment), *China Daily Forum*, November 30, 2013.

20. Rinehart and Elias, *China's Air Defense Identification Zone*, 22; Choe Sang-Hun, "South Korea Announces Expansion of Its Air Defense Zone," *New York Times*, December 8, 2013; "Air Force Officials Pinpoint ADIZ Overlap with China," *Focus Taiwan*, December 2, 2013.

21. "China Exclusive," Xinhua.

22. "Defense Ministry Spokesman on China's Air Defense Identification Zone," Xinhua, December 3, 2013.

23. For example, see "Beijing's Brinksmanship," *Wall Street Journal*, November 25, 2013; "U.S., China Face Off over Air Defense Zone in East China Sea," *Asahi Shimbun*, November 29, 2013; Stephen M. Walt, "How Long Will China Tolerate America's Role in Asia?," *Foreign Policy*, December 2, 2013; Robert Dujarric, "China's ADIZ and the Japan-U.S. Response," *Diplomat*, December 7, 2013; Jun Osawa, "China's ADIZ over the East China Sea: A 'Great Wall in the Sky'?" Brookings Institution, December 17, 2013.

24. Meng Yan and Zhou Yong, "Air Defense ID Zone to Deter Those with Designs on China's Territory," Xinhua, November 26, 2013; Jun Baoyan, "Words of Worry Come from Having an Ambitious Heart," *Liberation Army Daily*, November 26, 2013; Su Xiaohui, "Who Is the Real Regional Security Saboteur," *People's Daily* (Overseas Edition), November 28, 2013.

been deployed on the country's first-ever official "ADIZ patrol." A government spokesperson said the mission was meant to demonstrate that "Chinese armed forces are capable of effective control over the zone." Japan scrambled two F-15 fighters to intercept the air patrol.²⁵

Despite the alarm China's announcement incited, there is little evidence that air intercepts of U.S., Japanese, or other countries' military aircraft in the East China Sea have become more aggressive since November 2013.²⁶ From 2010 to 2013, the frequency of Japan Air Self-Defense Force scrambles against Chinese aircraft in Japan's ADIZ had increased significantly year-on-year. This trend continued after 2013 but at a smaller rate of increase than the previous two years.²⁷ Nevertheless, U.S. military commanders testify that the vast majority of military-to-military encounters in the ADIZ are still conducted "professionally" at a safe distance.²⁸

A related fear was China's unspecified "defensive emergency measures." Observers immediately wondered where the PLA would use force if foreign military or even civilian aircraft disobeyed Chinese directives or warnings. A military officer, Major General Qiao Liang, reinforced this impression when he told state television that China had the right to shoot down such aircraft in the ADIZ. Yet a second Chinese officer argued the same day that the PLA was authorized to strike foreign aircraft only if they intruded into Chinese territorial airspace and only after repeated warnings.²⁹ Responding to these nonauthoritative comments on November 28, the Ministry of National Defense flatly denied that China was claiming the right to shoot down aircraft in its new ADIZ. On December 3, it further rejected the notion that Beijing sought to impose a "no-fly zone."³⁰ Major General Qiao later stated there had been a "misunderstanding" about his comments. To date, China has not threatened or used force against any commercial aircraft for traversing the ADIZ without filing flight plans. Initial reports notwithstanding, Beijing did not turn back

25. "PLA Air Force Conducts First Patrol in Air Defense Identification Zone," Xinhua, November 23, 2013; Nicholas Szechenyi et al., "China's Air Defense Identification Zone: Impact on Regional Security," Center for Strategic and International Studies, November 26, 2013.

26. See Martin Fackler, "Chinese Flybys Alarm Japan as Tensions Escalate," *New York Times*, May 25, 2014; Martin Fackler, "Japan Protests Chinese Flybys over East China Sea," *New York Times*, June 11, 2014; Minnie Chan, "China, Japan Trade Blows as Beijing Releases Footage of Military Jets' Close Encounter," June 12, 2014; Rinehart and Elias, *China's Air Defense Identification Zone*, 13; Greg Torode and Adam Rose, "Analysis: Enforcing Rules in Air Zone Will Stretch China's Air Force and Navy," Reuters, November 27, 2013.

27. Japanese MOD, "China's Activities Surrounding Japan's Airspace."

28. U.S. Department of Defense, "Department of Defense Press Briefing on U.S. Pacific Command's Area of Responsibility by Admiral Locklear in the Pentagon Briefing Room" (press conference, Arlington, VA, September 25, 2014); Isabel Reynolds, "U.S. Commander Seeks to Make Chinese Military Encounters Boring," *Bloomberg Business*, October 24, 2014. For exceptions, see Tom Cohen, "'Aggressive' Chinese Fighter Jet Flies Dangerously Close to U.S. Navy Plane," CNN, August 24, 2014; Sam LaGrone, "Chinese Aircraft May Have Conducted an Unsafe Interception of U.S. Surveillance Plane Last Week," *USNI News*, September 22, 2015.

29. Chris Luo, "'Hostile' Aircraft Could Be Shot Down in New Air Zone: Chinese Air Force General," *South China Morning Post*, November 27, 2013; Rinehart and Elias, *China's Air Defense Identification Zone*, 9–11; Thom Shanker, "U.S. Sends Two B-52 Bombers into Air Zone Claimed by China," *New York Times*, November 26, 2013.

30. PRC Ministry of National Defense, "Defense Ministry Spokesman Yang Yujun's Response to Questions of ADIZ at Regular Press Conference" (press conference, MND, Beijing, November 28, 2013); "Defense Ministry Spokesman on China's Air Defense Identification Zone," Xinhua.

a Lao Airlines flight for this reason in July 2015; instead, the aircraft was attempting to enter Chinese territorial airspace without prior notice. Moreover, rather than intercept the flight, in that case Chinese aviation authorities simply contacted the pilot.³¹

Phase IV: U.S. and Others Oppose with Military Flythroughs

Regional responses to China's ADIZ varied substantially. The United States, Japan, South Korea, and Taiwan offered the most robust responses, each of which is discussed at length below. Other governments also commented on the Chinese decision. In the days after the announcement, the Australian Department of Foreign Affairs and Trade summoned the Chinese ambassador and criticized the style of the announcement. Philippine foreign secretary Albert del Rosario called the ADIZ an attempt to "transform an entire air zone into China's domestic airspace" that "compromises the national security of affected states." European Union high representative Catherine Ashton likewise said the development "heightens the risk of escalation and contributes to raising tensions in the region."³² These responses helped shape the regional and international debate. Nevertheless, the most relevant responses came from those directly affected by the new ADIZ: the United States and its allies and partners in Northeast Asia.

U.S. Reaction. The United States quickly issued protests over the announcement. Secretary of Defense Chuck Hagel expressed deep concern over China's "unilateral action." He framed it as a "destabilizing attempt to alter the status quo in the region" that would only increase "the risk of misunderstanding and miscalculations." U.S. military operations in the region, Hagel asserted, would not be affected. The applicability of Article V of the U.S.-Japan Security Treaty to the Senkaku Islands was also reaffirmed. Secretary of State John Kerry echoed these concerns, labeling China's action as "escalatory." Kerry also reiterated the U.S. commitment to "freedom of overflight and other internationally lawful uses of sea and airspace." In particular, he voiced Washington's position of not supporting "efforts by any state to apply its ADIZ procedures to foreign aircraft not intending to enter its national airspace." Secretary Kerry urged China to "exercise caution and restraint" and not "implement its threat to take action against aircraft that do not identify themselves or obey orders from Beijing." The State Department, Department of Defense, and White House all lodged complaints with China through diplomatic channels.³³

U.S. concerns focused on the style in which China announced its ADIZ regulations as well as their actual content. Evan Medeiros later stated in 2014 that the administration saw the announcement as "a provocative and escalatory act." He acknowledged China's "right to establish an ADIZ" but

31. Ankit Panda, "A First: China Turns Back Commercial Flight for Violating East China Sea ADIZ Rules," *Diplomat*, July 30, 2015; "Laos Plan Refused Entry to China Has No Link with ADIZ," Xinhua, July 30, 2015.

32. "Australia Summons Chinese Ambassador over Airspace Announcement," Reuters, November 26, 2013; "Philippines Fears China Wants West PH Sea Air Control," Agence France-Presse, November 28, 2013; European Union, External Action Service, "Declaration by the High Representative Catherine Ashton," press release, November 28, 2013.

33. U.S. Department of Defense, "Statement by Secretary of Defense Chuck Hagel on the East China Sea Air Defense Identification Zone," press release, November 23, 2013; U.S. Department of State, "John Kerry: Statement on the East China Sea Air Defense Identification Zone," press release, November 23, 2013; Gordon Lubold and Dan Lamothe, "China's Beef with Japan Is Also a Warning to the U.S.," *Foreign Policy*, November 25, 2013.

called the way it was created “dangerous.” Medeiros asserted that the zone was announced “unilaterally and without prior consultation with other parties.” He also noted how “it was done over disputed territory.” In Washington’s assessment, China was using the ADIZ to advance its sovereignty claims by gradually undermining Japanese administrative control over the Senkakus. Chairman of the Joint Chiefs of Staff Martin Dempsey likewise argued that “it wasn’t the declaration of the ADIZ that actually was destabilizing.” Rather, it was how “it was done so unilaterally and so immediately without any consultation.”³⁴

The U.S. Navy kicked off its 2013 Annual Exercise with the Japan Maritime Self-Defense Force in the East China Sea on November 25. Planned long in advance, the exercise took place east of China’s ADIZ in waters off Okinawa and Kyushu. Commenting on the joint exercise, the Seventh Fleet commander, Vice Admiral Robert Thomas, emphasized the importance of conducting “operations in international airspace as we always have” when challenged with “an extreme claim” like China’s ADIZ.³⁵

On November 26, two U.S. Air Force B-52 bombers flew through China’s East China Sea ADIZ. A Pentagon spokesperson described the flights as part of a previously scheduled training exercise. Defense Department officials, however, noted that it was intended as “a demonstration of long-established international rights to freedom of navigation and transit through international airspace.” The bombers took off from Andersen Air Force Base in Guam. They then reportedly crossed into the ADIZ in the vicinity of the Senkaku Islands, where they loitered for “about an hour.” Another Pentagon official said the flight was conducted without filing flight plans, radioing ahead, or registering frequencies with Chinese aviation authorities. The mission was “uneventful”; the crew reported “no contact, no reaction from China.”³⁶

Simultaneously, the PLA Navy held an exercise that some interpreted as a distant yet still restrained show of force. China’s only aircraft carrier, the *Liaoning*, departed its home port in Qingdao, Shandong Province on November 26 accompanied by four other warships. It steered clear of the disputed Senkaku Islands as it traveled down the east coast of China. Neither did it cross the median line when it transited the Taiwan Strait before arriving in the South China Sea for what the PLA Navy called normal “scientific research, tests, and military drills.” A week later, the USS *Cowpens* and a Chinese amphibious transport narrowly avoided collision when the PLA Navy ship confronted the U.S. guided missile cruiser as it was surveilling the *Liaoning*.³⁷

34. Yoichi Kato, “Interview: Evan Medeiros: China’s Attempt to Isolate Japan Worsens Bilateral Relations,” *Asahi Shimbun*, April 6, 2014; Kevin Baron, “Pentagon Lets Joe Biden Do the Talking with China,” *Defense One*, December 4, 2013; Phil Stewart and Steve Holland, “Says China’s Move on East China Sea Airspace ‘Destabilizing,’” *Chicago Tribune*, November 23, 2013.

35. Rinehart and Elias, *China’s Air Defense Identification Zone*, 15; Kelly and Stewart, “Defying China”; Paul Armstrong, “China’s Presence Looms amid Massive U.S.-Japanese Annual Ex War Games,” CNN, November 28, 2013.

36. Craig Whitlock, “U.S. Flies Two Warplanes over East China Sea, Ignoring New Chinese Air Defense Zone,” *Washington Post*, November 26, 2013; Kelly and Stewart, “Defying China”; Shanker, “U.S. Sends Two B-52 Bombers”; Alastair Gale, “South Korea Familiar with B-52 Show of Force,” *Wall Street Journal*, November 27, 2013.

37. “China Carrier Steams toward Disputed South China Sea for Drills,” Reuters, November 26, 2013; “China Aircraft Carrier ‘Avoids’ Senkakus en Route to Training,” *Asahi Shimbun*, November 29, 2013; David Alexander and Pete Swee-ney, “U.S., Chinese Warships Narrowly Avoid Collision in South China Sea,” Reuters, December 14, 2013.

The Chinese Ministry of National Defense issued a statement on the U.S. B-52 flight on November 27. Chinese forces were said to have “monitored the entire process, carried out identification in a timely manner, and ascertained the type of aircraft,” thus demonstrating China’s capability to exercise effective control over this airspace. Interestingly, the ministry argued the B-52 flight never actually entered the ADIZ. Instead, they allegedly flew “south to north along the eastern border of the [ADIZ] from 11:00 am to 1:22 pm Tuesday, about 200 km to the east of the [Senkaku/Diaoyu] Islands.” This would put the bombers near the Miyako Islands—well outside of China’s East China Sea ADIZ. Assuming this account is false, it was probably an attempt to mollify domestic hardliners, or perhaps to mask an operational inability to track or intercept the mission.³⁸ Chinese officials also reported that two U.S. reconnaissance aircraft staged a second flight through China’s ADIZ on November 29, perhaps in conjunction with a deployment of 10 Japan Air Self-Defense Force aircraft.³⁹

Despite its protests, the United States ultimately accommodated China’s filing requirement for civilian aircraft. On November 29, the State Department issued relevant guidance for U.S. commercial airlines. The press release reiterated the U.S. government’s nonrecognition of China’s air zone. However, it also expressed a general expectation that “U.S. carriers operating internationally will operate consistent with NOTAMs (Notices to Airmen) issued by foreign countries.”⁴⁰ This decision followed talks between U.S. officials and airline representatives. By encouraging commercial airliners to file flight plans without explicitly endorsing the Chinese defense ministry’s requirements, the U.S. administration hoped to balance geopolitics with the safety concerns of civil aviation. Following the press release, China’s Ministry of Foreign Affairs voiced “appreciation” for the United States’ “constructive attitude.” In contrast to Japan—which Beijing claimed “deliberately politicizes the relevant issue” with “malicious hype”—Chinese officials welcomed Washington’s decision as embodying a commitment to “uphold . . . aviation order and security in the airspace above the East China Sea together with China.”⁴¹

On December 3, the U.S. House of Representatives issued a resolution declaring the United States’ nonrecognition of China’s ADIZ.⁴² Vice President Joe Biden met with Japanese prime minister

38. “China Monitors U.S. Bombers in Defense Zone,” Xinhua, November 27, 2013; Qin Gang, “Foreign Ministry Spokesperson Qin Gang’s Regular Press Conference on November 27, 2013” (press conference, Ministry of Foreign Affairs, Beijing, November 27, 2013).

39. “Foreign Planes Identified in China’s Air Defense Zone,” Xinhua, November 29, 2013; “Japan Questions Beijing’s Claim It Scrambled Fighters over New Defense Zone,” *Asahi Shimbun*, November 30, 2013; Ben Blanchard and Roberta Rampton, “China Scrambles Jets to New Defense Zone, Eyes U.S., Japan Flights,” Reuters, November 29, 2013; Reiji Yoshida, “No Chinese Jets Scrambled: Japan,” *Japan Times*, November 30, 2013; Jonathan Kaiman and Tania Branigan, “China Sends Warplanes into Disputed Airspace over East China Sea,” *Guardian*, November 28, 2013.

40. U.S. Department of State, “China’s Declared ADIZ—Guidance for U.S. Air Carriers,” press release, November 29, 2013.

41. Peter Baker and Jane Perlez, “Airlines Urged by U.S. to Give Notice to China,” *New York Times*, November 29, 2013; Nanae Kurashige and Yoshihiro Makino, “Japan Baffled by U.S. Telling Airlines to Respect New Chinese Air Zone,” *Asahi Shimbun*, December 1, 2014; Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on December 2, 2013” (press conference, Ministry of Foreign Affairs, Beijing, December 2, 2013).

42. “U.S. House Resolution Urges China to Refrain from ‘Provocative Actions’ in East Sea,” *Thanh Nien News*, December 5, 2013.

Shinzo Abe the same day. Prime Minister Abe stated in a joint press conference that the two leaders had “confirmed that we should not tolerate the attempt by China to change status quo unilaterally by force.” He also said their military operations in the region “will not change” and warned against China taking actions “that could threaten the safety of civil aircraft.” Biden mostly echoed Abe’s comments, rebuking Beijing for its “attempt to unilaterally change the status quo in the East China Sea.” Yet Biden also underscored the need for both China and Japan to pursue crisis management mechanisms to reduce the risk of escalation. The media interpreted the White House’s subtle shift in tone as reflecting a decision to focus “less on rolling back the defense zone than on neutralizing its impact.” Abe, though taking a harder line, did not want “the world to see any light” between Tokyo and Washington over the issue.⁴³

Biden then met with Chinese president Xi Jinping in Beijing on December 4. Biden explained Washington’s position and expectation that Beijing would “take steps . . . to lower tensions . . . avoid enforcement actions that could lead to crisis . . . [and] establish channels of communication with Japan.” He stopped short, however, of publicly or privately demanding that China cancel its ADIZ. Biden and Xi discussed the air defense zone issue twice “at some length” over the course of a five-and-a-half-hour session.⁴⁴ Biden next stopped in Seoul on December 6, reportedly in an effort to help repair South Korea–Japan ties. Biden, President Park Geun-Hye, and Prime Minister Chung Hongwon made no mention of the ADIZ issue in their joint press conferences. News had broken the previous week that Seoul was considering a southern expansion of its own ADIZ in order to cover Socotra Rock and other maritime features. According to Foreign Minister Yun Byung-se, Biden said privately that he “appreciated” Park’s explanation but would not comment on whether Washington approved of her decision.⁴⁵

Japanese Reaction. Japan’s response to the Chinese announcement was more critical than that of the United States. On November 25, Prime Minister Abe insisted, “We will take steps against an attempt to change the status quo by use of force as we are determined to defend the country’s sea and airspace.” He vowed that China’s regulations would have “no effect” on Japanese military or commercial flights in the East China Sea. Foreign Minister Fumio Kishida spoke before a Diet committee to urge China to “exercise self-restraint,” and Chief Cabinet Secretary Yoshihide Suga

43. Steve Clemons, “Biden’s 330-Minute Balancing Act in China,” *China-U.S. Focus*, December 5, 2013; Mark Lander and Jane Perlez, “Biden Backs Ally Japan but Avoids Riling China,” *New York Times*, December 4, 2012.

44. White House, “Background Briefing by Senior Administration Officials on the Vice President’s Trip” (press conference, Beijing, December 4, 2013); Mark Lander, “Biden Urges Restraint by China in Airspace Dispute,” *New York Times*, December 4, 2013.

45. Sarah Kim, “Park and Biden Are Hand in Hand,” *Korea JoongAng Daily*, December 7, 2013; Yuka Hayashi, Jeremy Page, and Jonathan Cheng, “Biden’s Mission: Unite Japan, South Korea,” *Wall Street Journal*, December 6, 2013; White House, “Remarks by Vice President Joe Biden and Republic of Korea President Park Geun-Hye in a Bilateral Meeting” (press conference, Blue House, Seoul, December 6, 2013); White House, “Remarks by Vice President Joe Biden and Republic of Korea Prime Minister Chung Hongwon in a Bilateral Meeting” (press conference, Prime Minister’s Office, Seoul, December 6, 2013); Song Sang-ho, “Seoul Considers Southward Expansion of Air Defense Zone,” *Korea Herald*, December 1, 2012.

reiterated Japan's claims to sovereignty over and de facto administrative control of the Senkaku Islands.⁴⁶

Vice Foreign Minister Akitaka Saiki also summoned the Chinese ambassador to lodge a "stern protest." Saiki went as far as to order China to rescind its ADIZ; the ambassador replied that Japan should "retract such an unreasonable demand." Echoing Beijing's May 2010 proposal, he alternatively recommended that the two neighbors "take care to take measures" to prevent incidents in the overlapping airspace. Similarly, a Chinese defense ministry spokesperson rejected Japan's "absolutely groundless and unacceptable" criticism and demanded it cease making such "irresponsible remarks." As noted previously, the Japan Air Self-Defense Force had meanwhile been scrambled into their overlapping ADIZs to intercept China's ADIZ patrol. Speaking afterward, Defense Minister Itsunori Onodera swore that Tokyo would "take appropriate action" in response to any intrusions of Japanese territory.⁴⁷

Japanese airlines had begun filing flight plans with Chinese authorities by this time. On November 26, Tokyo then compelled All Nippon Airways and Japan Airlines—the country's two biggest carriers—to stop and effectively ignore China's ADIZ. Japan is the only known country to not eventually accept these civil identification requirements. On December 4, the Chinese foreign ministry declared triumphantly that 55 airlines from 19 countries had already begun reporting flight plans to Beijing in accordance with the guidelines. Chinese experts warned that Tokyo's recalcitrance was putting "the security of its citizens at stake."⁴⁸

On November 29, the Chinese defense ministry claimed it had closely monitored what appeared to be an assertion of freedom of overflight by U.S. and Japanese forces. According to a spokesperson, China scrambled Su-30 and J-11 fighter jets in an "emergency response to verify" a total of 10 Japanese aircraft, which included an early warning and control aircraft and an F-15 fighter jet. Two U.S. reconnaissance aircraft were also reported. Beijing did not specify whether the U.S. and Japanese deployments were conducted jointly. A U.S. defense spokesperson seemed to confirm the presence of routine U.S. surveillance flights in the area at the time. Chief Cabinet Secretary Suga said Japan had sent patrol aircraft into the East China Sea for "surveillance activities." In contrast to China's description, however, Defense Minister Onodera maintained that there had been "no abnormal situations" like Chinese aircraft approaching Japanese aircraft. His remarks were echoed by other officials. They claimed that Chinese aircraft, if they had indeed been scrambled, had not "come within visibility of our planes."⁴⁹

46. "Japan, China Trade Barbs over Controversial Air Defense Zone," *Kyodo News Agency*, December 25, 2013; Blanchard and Rampton, "China Scrambles Jets to New Defense Zone"; Szechenyi et al., "China's Air Defense Identification Zone."

47. *Ibid.*

48. Ben Blanchard and Tim Kelly, "Asian Airlines to Give Flight Plans to China after Airspace Zone Created," Reuters, November 25, 2013; Tim Kelly, "Japanese Airlines to Stop Giving China Flight Plans through New Zone," Reuters, November 26, 2013; "55 Airlines Report Flight Plans to China," Xinhua, December 4, 2013; Pu Zengdong, "Japan Must See Air Zone Is about Safety: Experts," *China Daily USA*, November 30, 2013.

49. "Foreign Planes Identified," Xinhua; "Japan Questions Beijing's Claim," *Asahi Shimbun*; Blanchard and Rampton, "China Scrambles Jets to New Defense Zone"; Yoshida, "No Chinese Jets Scrambled: Japan"; Kaiman and Branigan, "China Sends Warplanes."

Japan also appealed to the international community to oppose China's air defense zone. The Japanese Lower House passed a resolution on December 6 calling on China to withdraw its ADIZ—a stance voiced repeatedly by Japanese officials. On November 30, Japanese diplomats asked the International Civil Aviation Organization (ICAO) to address the issue, which Tokyo claimed “threaten[ed] the order and safety of international civil aviation.” Japan's proposal received the backing of the United States, the United Kingdom, and Australia, along with a fierce rejection from China. On December 14, a Japan-ASEAN summit in Tokyo issued a joint statement calling for “cooperation in ensuring the freedom of overflight and civil aviation safety in accordance with the universally recognized principles of international law.”⁵⁰ Japanese military and civil aircraft have continued to operate in China's ADIZ without prior notice ever since.

South Korean Reaction. Seoul's opposition to the East China Sea ADIZ was initially more restrained. On November 25, its foreign ministry summoned Chinese diplomats to protest the announcement. The South Korean defense ministry also stated that its aircraft would not notify Beijing before transiting the zone. However, this never reached the level of strident, high-profile, public criticism voiced by U.S. and Japanese officials. Seoul agreed to discuss the two countries' overlapping ADIZs on November 28 at the third Korea-China Vice Ministerial-Level Strategic Dialogue. At the meeting, Foreign Minister Yun Byung-se raised concerns that the ADIZ had made “tricky regional situations even more difficult to deal with.” He also suggested they consider new crisis management mechanisms. Vice Defense Minister Baek Seung-joo specifically requested that his Chinese counterparts redraw the borders of their ADIZ so as not to overlap South Korea's own zone or Socotra Rock. Baek's request was rebuffed. Reportedly, the Chinese delegation instead tried to reassure Korean officials that the zone was aimed at Japan, not South Korea.⁵¹

Disillusioned with its diplomatic approach, South Korea then began taking a harder line. The defense ministry publicly stated that Seoul “cannot accept Beijing's unilateral declaration of the air zone.” It warned that Korean leaders were considering expanding the country's own ADIZ southward and would consult with Japan and the United States. The air force then deployed a reconnaissance aircraft through China's ADIZ without notifying Beijing; the PLA stated that it monitored the flight but did not take any countermeasures. On December 1, President Park gathered her top security officials to “explore ways to protect national interests,” including expanding the South Korean ADIZ. The Ministry of Land, Infrastructure, and Transport quickly ordered commercial airliners not to submit flight plans to China for just traversing the ADIZ. The Korean navy also conducted a sea and air drill near Socotra Rock on December 3.⁵²

50. “Diet Adopts Resolution Condemning China's ADIZ,” *NHK World*, December 6, 2013; “Japan Seeks ICAO's Involvement in Tackling China's Air Defense Zone,” *Kyodo News Agency*, November 30, 2013; “Japan, ASEAN Vow to Ensure Freedom of Overflight, China's ADIZ Eyed,” *Nikkei Asian Review*, December 14, 2013.

51. “China Hit with Complaints over Maritime Air Defense Zone,” *VOA News*, November 25, 2013; “S. Korea to Discuss with China over Air Defense Zone,” *Xinhua*, November 25, 2013; Gale, “South Korea Familiar with B-52”; “Korea Calls for Re-Drawing of Air Zone, China Rejects,” *Arirang News*, November 30, 2013

52. “Korea Calls for Re-Drawing of Air Zone,” *Arirang News*; Jane Perlez and Martin Fackler, “China Patrols Air Zone over Disputed Islands,” *New York Times*, November 28, 2013; “Seoul Considers Southward Expansion of Air Defense

Seoul then announced a 186-mile expansion of the Korea Air Defense Identification Zone on December 8. This was its first expansion in 62 years. The enlarged ADIZ now overlapped major sections of the Chinese and Japanese ADIZs. The Ministry of National Defense explained that the new boundaries paralleled those of its internationally recognized Flight Information Region and would have no effect on commercial flights. A senior official revealed Seoul had already informed China, Japan, and the United States prior to the announcement. He emphasized that South Korea's "top priority is to prevent accidental military clashes in the area." The military also announced that it would increase its operational presence. Another Korea patrol aircraft flew through the overlapping region without notification the following day.⁵³ At the same time, however, Seoul put forward a proposal to hold a trilateral meeting with Beijing and Tokyo to discuss how to handle their overlapping ADIZs, especially around Socotra Rock.⁵⁴

Even after Korea significantly expanded its own ADIZ, Beijing's diplomatic approach to Seoul remained moderate. The Chinese foreign ministry expressed "regret" over the expansion and said it had immediately voiced "concerns" with South Korean diplomats. China called on its neighbor to act "safely and cautiously." On the other hand, the ministry underscored that there was no "territorial dispute" between the two countries over Socotra Rock. The Chinese side noted that since the fully submerged reef is part of a disputed continental shelf, resolution would only come through "maritime negotiations."⁵⁵

Japan indicated its acceptance of South Korea's decision on December 9. Tokyo confirmed that Seoul had notified Japanese leaders in advance. Prime Minister Abe and Defense Minister Onodera reportedly gave Chief Cabinet Secretary Suga a mandate to construct a "thorough system of communication" between the two capitals over the issue. Suga told the press that Tokyo did not "think [the expansion] is going to be a problem at the moment." He was careful to point out that Korea's ADIZ did not envelop Japanese-administered territory. The U.S. State Department also embraced the decision. A spokesperson noted that Washington appreciated South Korea's "commitment to implement this adjustment of its ADIZ in a manner consistent with international practice and respect for the freedom of overflight and other internationally lawful uses of international airspace." The State Department also suggested that Korea's expansion was less provocative because it consulted its neighbors beforehand and avoided "confusion for, or threats to, civilian airlines."⁵⁶

South Korean and Japanese forces held a joint exercise in the East China Sea on December 13. The drill was reportedly planned long in advance, but it happened to take place in waters near Socotra Rock. Seoul and Tokyo each deployed a destroyer and helicopter to participate. A

Zone," *Korea Herald*, December 1, 2013; "Korean Navy Conducts Drill Close to Jeodo," *Korea JoongAng Daily*, December 4, 2013.

53. Choe, "South Korea Announces Expansion"; Rinehart and Elias, *China's Air Defense Identification Zone*, 21.

54. Kim Eun-Jung, "S. Korea to Step Up Patrols in New ADIZ," *Yonhap News*, December 9, 2013.

55. "China Expresses Regret over South Korea Air Defense Zone," Reuters, December 9, 2010.

56. John Hofilena, "Japan OKs South Korea's Expanded Air Defense Zone," *Japan Daily Press*, December 9, 2013; Choe, "South Korea Announces Expansion"; Jack Kim and Jane Chung, "Update 2: S. Korea Expands Air Defense Zone to Partially Overlap China's," Reuters, December 8, 2013.

Japanese spokesperson said the drill was not “in reaction” to China’s ADIZ announcement. At the same time, he informed the press that neither government submitted flight plans or notified Chinese authorities beforehand. Meanwhile, South Korea’s Asiana Airlines and Korean Air announced they had begun submitting flight plans to China for flights transiting China’s East China Sea ADIZ irrespective of destination. South Korea’s transportation minister, Suh Seoung-hwan, said the airlines had been given “individual authority” to decide for themselves whether to comply with China’s filing requirement. The decision was said to be in no way reflective of a policy change regarding Seoul’s nonrecognition for China’s ADIZ.⁵⁷

Taiwanese Reaction. Although Taiwan opposed China’s ADIZ announcement, its reaction was milder than that of the United States, Japan, and South Korea. On November 23, Taipei expressed grave concern and declared that Beijing’s new air defense zone would not affect its sovereignty claims over the Senkaku Islands. Taiwan’s leaders said its military would take appropriate actions in response to contingencies. Yet Taiwan also suggested that peaceful dialogue like President Ma Ying-jeou’s 2012 East China Sea Peace Initiative could help resolve disputes. Taiwanese commercial carriers were immediately ordered to obey Beijing’s identification requirements. This decision, it said, was in line with internationally recognized practices rather than a recognition of China’s East China Sea ADIZ. Seizing on this accommodationist position, the opposition Democratic Progressive Party quickly issued a resolution demanding the administration take a harder line.⁵⁸

Phase V: Potential for Additional Chinese ADIZs

The world’s attention quickly turned to whether Beijing would establish additional ADIZs. During a visit to the Philippines in December 2013, John Kerry not only criticized China’s East China Sea ADIZ but also warned against “similar unilateral actions elsewhere in the region, and particularly over the South China Sea.”⁵⁹ The Japanese press then suggested in late January 2014 that the PLA Air Force Command College had finished planning a new South China Sea ADIZ. This zone would cover at least the airspace over the Paracel Islands, which China administers but Vietnam and Taiwan also claim. Options reportedly were prepared for a much vaster ADIZ covering the entire South China Sea. It would encompass all of China’s so-called Nine-Dash Line. Due to the geographic complexity of the region and operational difficulty to enforcing such a zone, a Chinese defense source allegedly said Beijing was still “mulling when will be the best time to announce”

57. Ida Torres, “Japan, South Korea Hold East China Sea Naval Drill in Message to Beijing,” *Japan Daily Press*, December 13, 2013; Michelle Floracruz, “South Korea’s Asiana Airlines and Korean Air Abide by Chinese Air Defense Identification Zone (ADIZ),” *International Business Times*, December 12, 2013.

58. See Republic of China (Taiwan), Executive Yuan, “Executive Yuan Responds Firmly to Mainland China’s East China Sea ADIZ Declaration,” press release, November 29, 2013; “Taiwan Conveys Position on China’s ADIZ to U.S.,” *Central News Agency*, November 27, 2013; Hsieh Chia-jen and Sofia Wu, “Taiwan’s Military on Top of Regional Developments: MND,” *Focus Taiwan*, November 27, 2013; “Taiwan Evasive on Cooperation with Japan on China’s Air Defense Zone,” *Kyodo World Service*, November 27, 2013; Lee Shu-hua and Y. L. Kao, “President Defends Taiwan’s Stance on China’s ADIZ Declaration,” *Focus Taiwan*, December 11, 2013.

59. John Kerry, “Remarks with Philippine Foreign Secretary Albert del Rosario” (press conference, Philippine Department of Foreign Affairs, Manila, December 17, 2013).

further ADIZs.⁶⁰ Responding to this report, a U.S. national security council official publicly threatened to increase U.S. “presence and military posture in the region” if China were to establish another ADIZ.⁶¹

Not long after, the same Japanese newspaper ran a second article once again citing anonymous Chinese insiders. Although Beijing had finished “preparations” for establishing a South China Sea ADIZ, it was reportedly holding back because of strong U.S. and ASEAN opposition. The Chinese foreign ministry, however, dismissed all of these reports. A government spokesperson explained that Beijing “has yet to feel any air security threat from the ASEAN countries and is optimistic about its relations with the neighboring countries and the general situation in the South China Sea region.” Nevertheless, the Philippines, Vietnam, and Indonesia had all publicly voiced opposition to a South China Sea ADIZ by February, especially one that covered disputed offshore islands. Later on, in May 2015 at the Shangri-La Dialogue in Singapore, PLA Deputy Chief of Staff Admiral Sun Jianguo again stated that whether China established an ADIZ in the South China Sea would be based on an assessment of its air and maritime threat environment.⁶²

Many observers have argued that the East China Sea ADIZ announcement led to a hardening of views in Washington and greater willingness to side with Japan in its maritime disputes with China. During an April 2014 state visit to Tokyo, President Obama strengthened U.S. declaratory policy toward the Senkakus issue by becoming the first sitting U.S. president to affirm that the islands are covered by the U.S.-Japan security treaty. He also echoed former secretary of state Hillary Clinton’s remarks that U.S. treaty obligations would not be affected by Chinese actions to challenge Japanese administration of the islands.⁶³ This action was seen as a response to not only the Chinese ADIZ announcement, but also its increasing maritime activity in the region.

Conclusions

First, it would have been difficult, if not impossible, for the United States or its allies and partners to actually prevent China from declaring an ADIZ. Beijing’s announcement was an administrative step that did not involve any physical action that external actors could directly oppose. This is similar to codifying new fishing bans or proclaiming new domestic laws for disputed features, which is separate from their actual enforcement. The most promising form of pressure on Beijing in this case likely would have been diplomatic. Beijing did not seem to anticipate that many states would perceive its action as so threatening and destabilizing. China might have modified or abandoned the ADIZ announcement if international opposition had been coordinated in advance.

60. Nanae Kurashige, “Beijing Preparing New Air Defense Zone in South China Sea,” *Asahi Shimbun*, January 31, 2014.

61. “U.S. ‘Could Change Military Posture’ If China Sets up Second ADIZ,” *Japan Times*, February 1, 2014.

62. Nanae Kurashige and Manabu Sasaki, “Beijing Hesitant on Setting ADIZ in South China Sea,” *Asahi Shimbun*, February 26, 2014; Edward Wong, “China Says It Could Set up Air Defense Zone in South China Sea,” *New York Times*, May 31, 2015; “Japanese Official Warns That South China Sea Activities May Be Precursor to ADIZ,” *Japan Times*, December 15, 2015; “China Dismisses ADIZ Reports, Optimistic about South China Sea Situation,” *Xinhua*, February 1, 2014.

63. White House, “Joint Press Conference with President Obama and Prime Minister Abe of Japan” (press conference, Akasaka Palace, Tokyo, April 24, 2014); “Q&A: Japan’s Yomiuri Shimbun Interviews President Obama,” *Washington Post*.

Second, regional capitals appeared unwilling to mobilize a broad coalition to oppose the ADIZ. Beijing was able to exploit divisions by targeting certain states and reassuring others. The fact that China enjoys the legal right to establish ADIZs, as well as the precedents set by the United States and others, reduces the likelihood of successful deterrence. China's rapid construction of three airfields in the Spratly Islands has already enhanced its ability to enforce a prospective future ADIZ in the South China Sea. Moreover, China designed its East China Sea ADIZ partly as a response to Japan's 2012 nationalization of the Senkaku Islands. If Chinese leaders establish additional ADIZs, they are likely to portray them as defensive, legitimate reactions to worsening security threats.

Third, although deterring China from establishing an ADIZ may be difficult, shaping what China does with it is much more feasible. After the East China Sea ADIZ announcement, civilian airlines expressed a clear preference for obeying China's identification and flight plan regulations due to safety and insurance concerns. Many regional militaries, however, moved quickly to deter Beijing from what they feared might be an attempt to restrict freedom of overflight in international air-space. On the other hand, there is little evidence that China hoped to impose any kind of no-fly zone, as such an escalation would have risked a major conflict with its neighbors and the United States. Both before and since the ADIZ announcement, China has conducted the vast majority of its air-to-air intercepts in the East China Sea professionally. Additionally, the PLA appeared to exhibit operational difficulties in monitoring and intercepting foreign military flights in its new ADIZ. This capability will undoubtedly improve over time.

Finally, the United States and others (except South Korea) have not expressed an interest in engaging China over the establishment of and rules within ADIZs, apparently out of a fear of weakening deterrence and accommodating revisionism. Even in the East China Sea where China's and Japan's zones cover multiple disputed territories and overlap with those of every other country in the region, no government has undertaken a serious initiative for agreements or confidence-building measures specifically addressing the issue. At the same time, officials have little confidence that a policy of public opposition and nonrecognition will succeed in deterring a Chinese South China Sea ADIZ over the medium term. This not only precludes a more robust dialogue that could contribute to peace and stability through greater consultations and strategic reassurance, but may also unnecessarily harm the credibility of the United States and its allies.

CASE 6: SECOND THOMAS SHOAL INCIDENT (2014)

Figure 3.11. Landsat Image of Second Thomas Shoal



Source: NASA (July 28, 2014).

Overview

In May 2013, Chinese coast guard vessels established a near continuous presence near the Philippines' outpost at Second Thomas Shoal (Figure 3.11) in the Spratly Islands. Beijing accused Manila of seeking to build "new structures" aboard the BRP *Sierra Madre*—a dilapidated warship deliberately run aground on the reef in 1999—allegedly in violation of multiple guarantees that the Philippines would tow it away. On March 9, 2014, Chinese patrol ships harassed Philippine vessels likely carrying construction materials to Second Thomas Shoal. With U.S. diplomatic support, Manila resupplied the outpost with airdrops and recognized the *Sierra Madre* as a permanent Philippine installation for the first time. On March 29, another Philippine ship carrying normal supplies and foreign journalists succeeded in reaching Second Thomas while U.S., Philippine, and Chinese aircraft circled overhead. A Chinese coast guard cutter crossed the bow of the supply ship in an effort to block its path, but did not pursue the vessel when it entered the shallow waters around the shoal. Beijing has not harassed Philippine supply missions since, even those carrying construction materials to consolidate the outpost. However, Chinese ships continue to maintain a presence nearby and monitor Philippine vessels entering the shoal.

BOX 3.6. Background on Second Thomas Shoal

Second Thomas Shoal (also known as Ayungin Shoal or Ren'ai Reef) is a disputed coral reef in the Spratly Islands in the South China Sea. Located 105 nautical miles northwest of the Philippine province of Palawan, the shoal is claimed by at least the Philippines, China, and Taiwan. Second Thomas consists of a lagoon ringed by coral reefs that together form a teardrop shape, roughly 15 nm north to south and 5 nm east to west. Although there are no proven or probable reserves of oil or natural gas in its immediate environs, Second Thomas Shoal is often described as a "strategic gateway" to the nearby Reed Bank tablemount, which is believed to contain economically viable deposits.¹ The Philippine armed forces considers its outpost at the shoal to be strategically important, in part because Second Thomas is only 22 nm from Chinese-occupied Mischief Reef. Many of the Philippines' supply lines to the island group also run past Second Thomas Shoal.²

Since it barely rises above water at low tide and sinks below the surf at high tide, the shoal is classified as a "low-tide elevation" under the UN Convention on the Law of the Sea.³ Under Article 13 of the convention, such a feature does not enjoy any entitlement to sovereignty or other maritime rights, such as a territorial sea, exclusive economic zone, or continental shelf. Since at least 2013, the Philippines has claimed jurisdiction over the natural resources at Second Thomas as part of the 200-nautical-mile exclusive economic zone and continental shelf generated by the main Philippine archipelago.⁴ Beijing, on the other hand, claims the reef as a "constituent part" of the Spratly Islands and their "adjacent waters," over which China maintains it has enjoyed sovereignty for roughly two millennia.⁵

Although the South China Sea dispute stretches back centuries, its modern contours were shaped by the 1951 San Francisco Peace Conference. Japan renounced its claims to the offshore islands it occupied during the Second World War, including the Spratlys, but in most cases the treaty failed to designate a sovereign successor.⁶ The next decades saw several waves of unilateral occupation and construction of facilities by Taiwan, Vietnam, the Philippines, China, and Malaysia. Brunei is the only claimant that does not maintain any outposts. Except for Second Thomas Shoal, the Philippines occupied all nine of the features it currently holds in the Spratlys between 1970 and 1980.⁷ In June 1978, Manila claimed these features as the Kalayaan Island Group by arguing they were previously *terra nullius*, or "nobody's land," and also proclaimed a coastal exclusive economic zone.⁸ China, on the other hand, was the last claimant to seize some turf, capturing unoccupied six features in a bloody clash with Vietnam in 1988.⁹

In 1994, China occupied Mischief Reef, setting in motion the events that eventually led to the Philippines' own occupation of Second Thomas Shoal.¹⁰ In 1995, the Philippines discovered several rudimentary structures on the formerly uninhabited Mischief Reef, which Beijing maintained were simply shelters for its fishermen. By 1998, however, Philippine reconnaissance aircraft observed renewed Chinese construction of military fortifications. With limited support from the United States, mild protests from ASEAN, and Malaysia's simultaneous occupation of and construction on other disputed features nearby, Philippine officials reportedly felt "orphaned" diplomatically.¹¹ In this context, Philippine president Joseph Estrada decided that "if they have been building structures, then we may as well put up our own structures."¹²

On May 9, 1999, the BRP *Sierra Madre* was deliberately grounded on the northwest rim of Second Thomas Shoal. A second Philippine tank landing ship, the BRP *Lanao del Norte*, was simultaneously run aground 350 nautical miles to the northeast on Scarborough Shoal, another disputed reef.¹³ Chinese officials have repeatedly claimed Manila argued at the time that its vessels were grounded due to malfunction. According to this narrative, Beijing demanded the Philippines immediately tow them away. Manila complied by removing the *Lanao del Norte* from Scarborough Shoal, yet the *Sierra Madre* remained grounded on Second Thomas.¹⁴ China has not been consistent about whether Manila promised to remove the vessel in 1999 and then failed to follow through or, alternatively, if it always refused to do so under a “pretext” of the technical difficulties involved.¹⁵

In 2002, years of negotiations resulted in the China-ASEAN Declaration on the Conduct of Parties in the South China Sea. Although not legally binding, this document pledged all parties to “undertake self-restraint,” including refraining from occupying new features.¹⁶ According to China, Manila then guaranteed in September 2003 that it would not “violate” the Declaration by “construct[ing] facilities” on Second Thomas.¹⁷ China took this to mean that the *Sierra Madre* is not part of the recognized pre-Declaration status quo, and that Manila promised not to convert it into a permanent outpost by undertaking any additional construction.¹⁸ Beijing has also often made a puzzling assertion that the 1999 grounding was a violation of the 2002 agreement.¹⁹

The Philippines maintained the *Sierra Madre* as an informal outpost until it was declared a “permanent installation” in 2014.²⁰ Although it no longer appears on official rolls, Manila also asserts that the *Sierra Madre* is still an active commissioned ship in the Philippine Navy.²¹ This is significant because the United States’ obligations under the 1951 U.S.-Philippines Mutual Defense Treaty are triggered by armed attacks against Philippine “armed forces, public vessels or aircraft in the Pacific,” as well as those “on the island territories under its jurisdiction.”²²

The *Sierra Madre* was built by the United States in 1944 and transferred to the Philippines in 1976; age and the corrosive saltwater environment have left the ship increasingly dilapidated. Seven to 12 Philippine personnel live aboard the pockmarked hull in three- to six-month rotations.²³ The vessel’s bow and fantail each sport a corroded 40-millimeter cannon; otherwise, the marines are armed with rifles only.²⁴ The vessel produces electricity from a diesel-powered engine and also has a communications room.²⁵ The soldiers fish for food and get potable water and other supplies by sea every three months, with an additional airdrop every month.²⁶

The South China Sea dispute began worsening in the 2008–2010 period. In 2010, the Philippines received a Chinese diplomatic protest accusing it of construction at Second Thomas and also charged the marines there of firing a warning shot at a Chinese vessel nearby, which Manila denied.²⁷ Around 2011, Western Command began submitting proposals to “build structures” in order to maintain the Philippines’ occupation at the shoal.²⁸ Following the 2012 Scarborough Shoal standoff, a senior Philippine military official publicly called for developing Second Thomas and other Spratly outposts for tourism and to improve soldiers’ living conditions.²⁹ Relations with Beijing deteriorated further in January 2013 over Manila’s initiation of arbitration under Article 287 and Annex VII of the UN Convention on the Law of the Sea.³⁰ According to China but denied by Manila, the Philippines also laid cables around the *Sierra Madre* in February 2013 as initial preparations for consolidating the wreck into a permanent outpost.³¹

(continued)

BOX 3.6. (Continued)

1. U.S. Energy Information Administration, "South China Sea," February 7, 2013.
2. Dario Agnote, "PH to Build Helipad on Rusting Ship on Ayungin Shoal," *Kyodo News*, July 15, 2015.
3. Matikas Santos, "Key Points of the Arbitral Tribunal's Decision in PH vs. China Case," *Global Nation Inquirer*, October 30, 2015; "Grounded Ship Is PH's Last Line of Defense vs. China," Agence France-Presse, May 23, 2013.
4. "United Nations Convention on the Law of the Sea," December 10, 1982, p. 29.
5. Hua Chunying, "Foreign Ministry Spokesperson Hua Chunying's Remarks on the Philippines Reinforcing a Military Vessel Illegally 'Grounded' on China's Ren'ai Jiao" (press conference, Ministry of Foreign Affairs, Beijing, July 15, 2015).
6. "Treaty of Peace with Japan," September 8, 1951, *United Nations Treaty Series* 1952, no. 1832, vol. 136, 48–52.
7. Alexander L. Vuving, "South China Sea: Who Occupies What in the Spratlys?," *Diplomat*, May 6, 2016.
8. President of the Republic of the Philippines, "Declaring Certain Area Part of the Philippine Territory and Providing for Their Government and Administration," Presidential Decree No. 1596, June 11, 1978; President of the Republic of the Philippines, "Establishing an Exclusive Economic Zone and for Other Purposes," Presidential Decree No. 1599, June 11, 1978.
9. M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton, NJ: Princeton University Press, 2008), 294–296.
10. The motives behind this 1994 occupation remain unclear. See Fravel, *Strong Borders, Secure Nation*, 296–298; Michael W. Studeman, "Dragon in the Shadows: Calculating China's Advances in the South China Sea" (master's thesis, Naval Postgraduate School, 1998), 53–57.
11. Carlyle A. Thayer, "Some Progress, along with Disagreement and Disarray," *Comparative Connections* 1, no. 1 (July 1999); Christopher Chung, "Southeast Asia and the South China Sea Dispute," in *Security and International Politics in the South China Sea: Towards a Cooperative Management Regime*, ed. Sam Bateman and Ralf Emmers (New York: Routledge, 2009); Mohd Nizam Basiron, "The Search for Sustainability and Security: Malaysia's Maritime Challenges and Opportunities," in *Maritime Challenges and Priorities in Asia: Implications for Regional Security*, ed. Joshua H. Ho and Sam Bateman (New York: Routledge, 2012), 74.
12. Chung, "Southeast Asia and the South China Sea Dispute."
13. Thayer, "Some Progress, along with Disagreement and Disarray"; Jaime Laude, "PHL Lost Panatag Shoal to Chinese Not Once but Twice," *Philippine Star*, August 8, 2015.
14. Laude, "PHL Lost Panatag Shoal to Chinese."
15. Rodel Rodis, "Gazmin's Twit," *Global Nation Inquirer*, March 26, 2014.
16. ASEAN and the People's Republic of China, *Declaration on the Conduct of Parties in the South China Sea*, November 5, 2002.
17. PRC State Council, "China Adheres to the Position of Settling through Negotiation the Relevant Disputes between China and the Philippines in the South China Sea," press release, July 13, 2016, para. 96.
18. Su Xiaohui, "不能惯菲'浑水摸鱼'的臭毛病" (Do Not Indulge the Philippines by Letting It "Fish in Troubled Water"), *People's Daily Overseas Edition*, March 12, 2014; Hong Lei, "Foreign Ministry Spokesperson Hong Lei's Regular Press Conference on March 17, 2014" (press conference, Ministry of Foreign Affairs, March 17, 2014); Hua Chunying, "Foreign Ministry Spokesperson Remarks."
19. See, for example, "China Condemns Philippine Encroachment on Ren'ai Reef," Xinhua, May 30, 2013.
20. Republic of the Philippines, Department of Foreign Affairs, "The Department of Foreign Affairs' Statement on China's Allegation That the Philippines Agreed to Pull out of the Ayungin Shoal," press release, March 14, 2014.
21. Ibid.; "PHL Navy: Repairs to Ship on Ayungin Shoal for Personnel Safety," *GMA News*, July 14, 2015; Carla Gamboa, "China Tells PHL to Stop Repair, Tow Away BRP *Sierra Madre*," *Philippine Pride*, July 15, 2015; "DND Twits China, Says Repair of Rusty Ship Complied with Int'l Law," *GMA News*, July 16, 2015.
22. "Mutual Defense Treaty between the United States and the Republic of the Philippines," August 30, 1951.
23. Abigail Kwok, "Last Outpost: Soldiers Endure Loneliness, Spartan Living to Guard Remote Islands in Spratlys," *InterAkyson*, November 25, 2012; "Grounded Ship Is PH's Last Line of Defense vs. China," Agence France-Presse; "Defense Chief Says China, not PHL, Violating Code of Conduct in Spratlys," *GMA News*, May 30, 2013.
24. Nikko Dizon, "Mission Possible to Ayungin Shoal: Get around China to Revisit 'LT 57,'" *Philippine Daily Inquirer*, April 6, 2014; Jeff Himmelman, "A Game of Shark and Minnow," *New York Times*, October 27, 2013.
25. "Grounded Ship Is PH's Last Line of Defense vs. China," Agence France-Presse.
26. Tomas Etzler, "Wrecks, Rats, and Roaches," CNN, July 2014.
27. Tessa Jamandre, "RP Faces New Tensions with China over Spratlys," *Vera Files*, September 21, 2010.
28. Rommel M. Oropesa, "WESCOM's Proposed Command and Control Requirements," *Kanluran* (April/June 2011): 4.
29. Kwok, "Last Outpost." Such statements were not lost on Chinese observers. Chinese state television has claimed that the Philippines began strengthening its occupation of Second Thomas following the 2012 incident. See "菲律宾为何再闯仁爱礁?" (Why Is the Philippines Stirring up Second Thomas Shoal Again?), Southeast Television, April 16, 2014.
30. Paterno Esmaque II, "China Offers PH 'Carrot' to Quit Case," *Rappler*, February 26, 2014.
31. PRC State Council, "China Adheres to the Position of Settling through Negotiation," para. 97.

Timeline

	China	Philippines	United States
Phase I: China Coast Guard establishes new presence			
May 8, 2013	Vessels arrive and patrol shoal continuously	Monitors Chinese presence by air only	
May 29	Accuses Manila of new construction efforts	Continues supply missions by sea	
Jul	Begins close-in patrols		Begins overflights
Oct	Reduces presence		
Phase II: Offers de-escalation if Manila suspends arbitration case			
Jan 2014	Offers Scarborough withdrawal, investments		
mid-Feb	Resumes regular patrols	Proceeds with arbitration	
Phase III: Chinese vessels harass Philippine supply ships			
Mar 9	Harasses Philippine ships		
Mar 10–11	Accuses Manila of sending building material	Officially denies, air-drops food and water	Recognizes Philippine outpost for 1st time
Mar 14		Recognizes outpost as permanent for 1st time	
Phase IV: With U.S. support, Manila resupplies shoal and files case			
Mar 28–29	Harasses but does not attack supply ship	Sends resupply vessel with journalists on board	Sends visible overflights
Mar 30	Opposes use of journalists, arbitration	Submits memorial to arbitral tribunal	Affirms support for arbitration bid
Phase V: Beijing maintains patrols but ends harassment			
May 2	Intercepts but does not harass vessels	Stages 2nd media trip	
Jun 2015	Protests diplomatically	Conducts major repairs and improvements	

Incident Details

Phase I: China Coast Guard Establishes New Presence

On May 6, 2013, a Chinese fishing fleet departed Danzhou City, Hainan for a 40-day voyage to the Spratly Islands. A supply ship, a transport vessel, and 30 fishing trawlers sailed under the “unified command” of the provincial bureau of the Fisheries Law Enforcement Command.¹ The expedition itself was not novel. Chinese fishermen had been operating in the Spratlys since 1985, and China had been convoying fishing fleets to both the Spratly and Paracel Islands since 2009.² Previously, in July 2012, another 30-vessel fleet had left Hainan for a similar mission near Chinese-occupied Fiery Cross Reef in the western Spratlys. In February 2013, the Fisheries Law Enforcement Command’s South China Sea bureau chief announced he would “speed up” these patrols over the next two years.³ This annual Hainan fleet would arrive at Mischief Reef (only a few miles from Second Thomas) on May 13, 2013, shortly before China’s annual fishing ban in the northern half of the South China Sea, during which its fishermen operate farther south in the Spratlys. State media said the ships would “split into various groups, fishing in different areas.”⁴ Around the same time, a detachment of the PLA Navy’s East Sea Fleet conducted combat exercises in the Paracels before moving deeper into the South China Sea.⁵

The Philippines first observed Chinese ships near Second Thomas Shoal on May 8.⁶ A military source reported that Filipino fishermen had described the presence of a Chinese “frigate ship” and “naval patrol vessel” five and six nautical miles east of the reef, respectively. He also stated that over the course of that week, Chinese diplomats had once again demanded the Philippines withdraw from its outposts in the Spratlys.⁷ A spokesperson for the Philippines’ Western Command

1. “China Sends Fishing Fleet to Nansha Islands,” Xinhua, May 6, 2013.

2. Ryan D. Martinson, “Shepard of the South Seas,” *Survival* 58, no. 3 (2016): 190; Martinson, “From Words to Actions,” 21–22.

3. “30-Vessel Fishing Fleet Heading for Nansha Islands,” Xinhua, July 13, 2012; “30-Vessel China Fishing Fleet Arrives at Nansha Islands,” Xinhua, July 15, 2012; “Chinese Fishing Fleet Heading for Nansha Islands,” Xinhua, July 16, 2012; “China to Conduct Routine Fishery Patrols in Nansha Islands,” Xinhua, February 24, 2013.

4. “China Starts Annual South China Sea Fishing Ban,” Xinhua, May 16, 2013; “Chinese Fishing Boats Arrive at Nansha,” Xinhua, May 13, 2013; Zhao Yunjie, “32 Chinese Fishing Boats Arrive in Nansha Islands,” Xinhua, May 15, 2013.

5. “China’s Navy Exercises in South China Sea,” Xinhua, May 16, 2013.

6. China’s State Oceanic Administration stated that one of its cutters actually performed “sentry duty” at the shoal as early as April. Twice over the summer, *Kyodo News* also claimed that Chinese ships had been deployed to the area since February, but the present authors found no evidence supporting this claim. Elmer Badilla and Jaime Sinapit, “Two Chinese Vessels Reportedly Sighted off Disputed Islands in West Philippine Sea,” *InterAksyon*, May 8, 2013; Ryan D. Martinson, “Power to the Provinces: The Devolution of China’s Maritime Rights Protection,” *China Brief* 14, no. 1 (September 10, 2014); “Papers Confirm U.S. Planes Patrolled around Spratlys,” *Kyodo News*, July 30, 2013; “Chinese Navy Launches New Patrol Route in S. China Sea,” *Kyodo News*, August 5, 2013.

7. Philippine newspapers published some suspect accounts during this initial period. For example, on May 9 a Philippine defense source stated that five to eight Chinese fishing vessels were in the lagoon of Second Thomas Shoal “unloading big ropes and planting metal structures.” Yet the chief of the Philippine Navy, Vice Admiral Jose Luis Alano, dismissed these assertions a week and a half later. Redempto D. Anda, “2 Chinese Spy Ships Sighted off PH-Held Shoal,” *Inquirer Southern Luzon*, May 10, 2013; Jaime Sinapit, “Chinese Erecting Structure on Kalayaan’s Ayungin

confirmed the military was on alert and had stepped up patrols to verify these reports.⁸ On May 10, another source gave details about two China Marine Surveillance vessels reportedly holding position six nm west of the shoal.⁹

Manila filed its first formal diplomatic protest over Second Thomas Shoal with the Chinese embassy the same day. Philippine diplomats stated their opposition to China's "provocative and illegal presence" near the shoal. Manila officially identified the Chinese task force as two China Marine Surveillance patrol ships and one PLA Navy vessel, in addition to the civilian flotilla fishing in the Spratlys. The Philippines asserted its sovereignty over the shoal and charged China with "intruding" into its exclusive economic zone. The Chinese embassy in turn reiterated its own sovereignty claims over the shoal and the Spratly Islands.¹⁰

On May 15, a civilian Philippine ship owned by the Kalayaan Municipality, the M/V *Queen Seagull*, was passing near Second Thomas when it was intercepted by Chinese state vessels. According to Mayor Eugenio Bito-onon, Jr., the *Queen Seagull* was tailed around 1 am for an hour. One foreign vessel trained a powerful searchlight on the Philippine boat from a distance of about 100 feet, illuminating the *Queen Seagull* bow to stern. A second ship kept watch farther away. Mayor Bito-onon claimed the vessels belonged to the PLA Navy, but radio contact was never established and Filipino civilians on deck were unable to identify them. The two ships peeled away once the M/V *Queen Seagull* had left the vicinity of the shoal.¹¹

Philippine officials gave their first full briefing on the situation at Second Thomas Shoal on May 21. A Department of Foreign Affairs spokesperson echoed the Philippines' May 10 diplomatic protest, calling China's presence "a violation of international law." The spokesperson confirmed that 30 fishing trawlers, two China Marine Surveillance cutters, and one PLA Navy warship had been in the area for over a week. Speaking at a naval base that day, President Aquino likewise asserted, "Our

Reef—Source," *InterAksyon*, May 9, 2013; Jaime Sinapit, "PH Navy Chief: No Problem with China as Long as Its Vessels Not Exploiting Resources in Ayungin," *InterAksyon*, May 21, 2013.

8. Badilla and Sinapit, "Two Chinese Vessels Reportedly Sighted."

9. On May 10, another Philippine official reported that the Philippine Navy had dispatched three warships to the shoal upon learning of the Chinese presence, including a "personnel carrier vessel." Although soon discredited, this story proved consequential when Taiwan then expressed "serious concern and firm opposition over the Philippines' dispatch of naval vessels." The Philippine Coast Guard's fatal shooting of a Taiwanese fisherman earlier that month may have increased Taipei's sensitivity. See Anda, "2 Chinese Spy Ships Sighted"; Francisco Tuyay, "PH Sea Patrol Checks out Chinese Ships," *Standard*, May 10, 2013; Francisco Tuyay, "Chinese Foiled from Occupying Island," *Standard*, May 18, 2013; Frances Mangosing, "PH Continues to Monitor Chinese Ships in Ayungin Shoal," *Global Nation Inquirer*, May 22, 2013; "Taiwan Protests PH Ships in Spratlys," Agence France-Presse, May 25, 2013; "Taiwan Responded to Philippines Trying to Send Transport Ship to Second Thomas Shoal," *ChinaNews*, May 26, 2013.

10. Michaela del Callar, "PH Files Diplomatic Protest vs. China's 'Provocative, Illegal Presence' in Ayungin Reef," *InterAksyon*, May 21, 2013; "Philippines Vows to Defend Territory against China," Agence France-Presse, May 23, 2013.

11. The mayor was on board but asleep at the time of the incident. Abigail C. Kwok and Elmer Badilla, "2 Foreign Ships 'Harass' Filipino Vessel near Ayungin Reef but Incident 'Normal,' Mayor Says," *InterAksyon*, May 17, 2013; Redempto Anda, "Foreign Ships Harass Mayor of Disputed Isle," *Inquirer Southern Luzon*, May 18, 2013; "Palawan Mayor Claims Harassment by Suspected Chinese Vessels," *GMA News*, May 18, 2013.

message to the whole world is clear: what belongs to the Philippines belongs to the Philippines.¹² Nevertheless, Philippine Vice Admiral Luis Alano said the same day that the Philippines had “no problem” with Chinese vessels being in the area as long as they were not exploiting any natural resources.¹³

Over the next few days, Manila put forward a “peaceful resolution” strategy for Second Thomas Shoal.¹⁴ The administration coordinated options with the Department of Foreign Affairs, Navy, Coast Guard, and Bureau of Fisheries and Aquatic Resources. Philippine officials helped fishermen “look for other fishing grounds” and had already established some artificial fish sanctuaries closer to the mainland. Following guidance from President Aquino to “de-escalate” the situation, the Philippine military limited its role to monitoring Chinese activities from the air only. The military had no plans of sending more Philippine ships to the shoal, fearing that “if we increase our presence there, then we are just going to escalate the situation.” Deputy presidential spokesperson Abigail Valte likewise said this decision was “deliberate” and that there was no change in the Philippines’ “peaceful path” of resolving maritime disputes through a “rules-based approach.”¹⁵ Meanwhile, officials communicated the Philippines’ resolve to defend its interests, with Defense Secretary Voltaire Gazmin saying the marine detachment at Second Thomas would “fight . . . up to the last soldier standing.”¹⁶

Beijing responded publicly to the Philippines’ protest for the first time on May 23. The Chinese foreign ministry asserted that “China has indisputable sovereignty over the [Spratly] Islands and their adjacent waters.” Around this time, Chinese fishermen were reportedly harvesting coral and endangered giant clams from Second Thomas’s reef. On May 28, the ministry defended Chinese government patrols in the area as “beyond reproach” and called on all parties to “refrain from taking actions that complicate the situation.” The Philippine Navy reported that the Chinese “frigate” and civilian trawlers had left the vicinity of Second Thomas the same day, leaving only two China Marine Surveillance vessels.¹⁷

12. Frances Mangosing and Tarra Quismundo, “Aquino: We Can Fight Back vs. Any Threat,” *Philippine Daily Inquirer*, May 21, 2013; “PHL Protests Fresh Chinese Incursions in West PHL Sea,” *GMA News*, May 21, 2013; Ace Tamayo, “30 Chinese Vessels, 1 Warship Sighted in Palawan,” *Rappler*, May 21, 2013; Cecil Morella, “P75-B Boost for PH Navy to Resist ‘Bullies,’” *Agence France-Presse*, May 22, 2013.

13. Sinapit, “PH Navy Chief.”

14. *Ibid.*; Frances Mangosing, “PH Continues to Monitor Chinese Ships in Ayungin Shoal,” *Global Nation Inquirer*, May 22, 2013; “PH Warns China on Ayungin: It Is Ours,” *Rappler*, May 23, 2013; “Chinese Warship Circling Second Thomas Shoal in Palawan; \$1.8-billion Philippine Military Upgrade Planned Anew,” *Philippine Peso Reserve*, May 23, 2013.

15. Nikko Dizon and Tarra Quismundo, “Philippines Weighs Move on China Incursion,” *Philippine Daily Inquirer*, May 23, 2013; “Peaceful Approach to Ayungin Issue—Palace,” *Rappler*, May 25, 2013; “Palace: No Need to Convene Security Council Yet on Ayungin Shoal Row,” *GMA News*, May 25, 2013; Dexter San Pedro, “PH Won’t Engage Chinese Vessels in Ayungin, Kalayaan, Says Palace,” *InterAksyon*, May 27, 2013; Mangosing, “PH Continues to Monitor Chinese Ships.”

16. Sinapit, “PH Navy Chief”; Mangosing, “PH Continues to Monitor Chinese Ships”; “PH Warns China on Ayungin,” *Rappler*; “Chinese Warship Circling Second Thomas Shoal in Palawan,” *Philippine Peso Reserve*.

17. Elmer Badilla and Jaime Sinapit, “As Mayor Longs for Development in Kalayaan, Others Fear China’s ‘Rape’ of the Islands,” *InterAksyon*, May 22, 2013; Jaime Sinapit, “AFP Chief Confirms Illegal Activities of Chinese Fishers in Ayungin,” *InterAksyon*, August 28, 2013; “Grounded Ship Is PH’s Last Line of Defense vs. China,” *Agence France-Presse*, May 23, 2013; “China Reiterates Claim on Ayungin Shoal,” *YouTube* video, posted by “ABS-CBN News,” May 23, 2013. The latter

Some nonauthoritative Chinese commentators aired a view of Beijing's strategy in its maritime disputes as methodical and aggressive. PLA Navy Rear Admiral Zhang Zhaozhong, an official military propagandist, argued on state television that China had employed a "cabbage strategy" to "seal and control" Scarborough Shoal since its 2012 standoff with the Philippines. While Chinese "fishermen conduct normal production [inside the lagoon]," outside the reef "fishing administration ships and marine surveillance ships are conducting normal patrols while in the outer ring there are navy warships." In this way, he argued Beijing had secured its sovereign and economic rights at Scarborough without "resort[ing] to war." Zhang called for applying this approach elsewhere in a general strategy to "recover the islands and reefs and defend them." Pointing to foreign outposts in the Spratlys, he suggested China impose a blockade to starve out their garrisons. Zhang noted that these small islands and reefs have no internal sources of food or potable water. If supplies were disrupted "for one or two weeks, the troopers stationed there will leave the islands on their own." Assuming Beijing then "wrapped" the feature "layer by layer like a cabbage" as it had at Scarborough, the foreign forces "will never be able to come back." The only diplomatic constraint on this strategy was to "grab the right timing." Namely, as Zhang claimed Beijing did in 2012, China should deliberately seize opportunities provided by foreign "provocations" to justify its own assertive response.¹⁸ Other Chinese experts on CCTV suggested China simply tow away the BRP *Sierra Madre* if a blockade failed to coerce the Philippine marines to abandon it.¹⁹ Swayed by these nonauthoritative sources or not, Philippine officials informed media outlets that they feared "the Chinese ships will block supplies" at Second Thomas Shoal.²⁰

Authoritative Chinese sources, on the other hand, have consistently framed Beijing's strategy as reactive and status-quo oriented. On May 29, Secretary Gazmin met with Chinese ambassador Ma Keqing on the sidelines of a UN event at Camp Aguinaldo, the headquarters of the Armed Forces of the Philippines. At this time, a Philippine supply vessel was apparently under way to the BRP *Sierra Madre*. Recounting the meeting, Gazmin said the Chinese were primarily concerned with the possibility that Manila was sending building materials to erect "additional structures" on the shoal. According to Ambassador Ma, Chinese forces were now "continuously monitoring" Second Thomas to guard against any new construction.²¹ This explanation was repeated by a Chinese Ministry of National Defense spokesperson the following day. While condemning the Philippines'

newsreel displays what is purportedly an image of the PLA Navy vessel sighted near Second Thomas Shoal at the time. However, the partially obscured timestamp indicates the photograph was taken during a separate incident in October 2012, detailed by Mayor Bito-onon in Prashanth Parameswaran, "Interview: A Philippine Perspective from the Middle of the South China Sea," *Diplomat*, September 29, 2015.

18. Manuel Mogato, "South China Sea Tension Mounts near Filipino Shipwreck," Reuters, May 29, 2013; "China Reaffirms Its Rights over Ren'ai Jiao, Nansha Islands," Xinhua, May 28, 2013. A resident of Thitu Island had earlier identified the PLA Navy vessel as the *Zhaoqing* (563), a 338-foot *Jianghu V*-class frigate, but this was never officially confirmed. See Badilla and Sinapit, "As Mayor Longs for Development."

19. Bonnie S. Glaser and Alison Szalwinski, "Second Thomas Shoal Likely the Next Flashpoint in the South China Sea," *China Brief* 13, no. 13 (June 21, 2013).

20. Mogato, "South China Sea Tension Mounts near Filipino Shipwreck."

21. Ibid.

“illegal” grounding of the *Sierra Madre* in 1999, as well as its prolonged refusal to remove the warship, the ministry dismissed as “groundless” any accusation “that Chinese vessels have threatened to cut off supplies of water and food for Philippine military staff at the reef.”²²

Philippine officials denied that the supply ship was transporting construction materials to Second Thomas Shoal or that Manila had any ambition to do so. Secretary Gazmin reassured China’s ambassador that the Philippine vessel was conducting a routine resupply mission. He claimed it only carried food and water and a new “rotation of troops.” Gazmin also promised that Manila would “not violate the agreement not to construct new structures.”²³ The next day, a Philippine spokesperson seconded Gazmin’s remarks, calling it the military’s “sovereign and humanitarian duty” to resupply Philippine troops on the *Sierra Madre*. The Department of Foreign Affairs insisted that China had no right “to dictate on whatever we want to do within our maritime domain” and reiterated this position during a dialogue the following month.²⁴

In June, U.S. officials and their Philippine counterparts held alliance consultations in Manila, partly on the issue of Second Thomas Shoal. U.S. Pacific Command’s Admiral Samuel Locklear visited the Philippines following his trip to the Shangri-La Dialogue in Singapore, where Second Thomas Shoal had received some attention.²⁵ Admiral Locklear met with Secretary Gazmin, General Bautista, and Vice Admiral Alano for discussions that included the South China Sea. Locklear expressed opposition to any “change of the status quo by force,” but no specifics about Second Thomas Shoal were disclosed.²⁶ Then on June 18, U.S. Navy secretary Ray Mabus visited Manila for talks with the same group. Asked whether Mabus had discussed the South China Sea, U.S. ambassador to the Philippines Harry Thomas, Jr. said the dialogue revolved around “ensur[ing] freedom of navigation and no economic coercion,” keeping “sea lanes . . . open,” and the “need to adhere to a code of conduct.” Secretary Gazmin, on the other hand, was unequivocal that the Second Thomas issue had been raised and that U.S. officials were “concerned and want to be sure that this will be resolved without use of force.”²⁷

22. “China Condemns Philippine Encroachment on Ren’ai Reef,” Xinhua, May 30, 2013.

23. Frances Mangosing, “China Raises Concerns over PH’s Reported Development Plans on Ayungin Shoal,” *Global Nation Inquirer*, May 29, 2013. It is unclear whether the Philippine defense secretary was referring to the 2002 Declaration on the Conduct of Parties or some other bilateral understanding.

24. Tarra Quismundo, “PH Tells China: Don’t Tell Us What to Do within Our Territory,” *Philippine Daily Inquirer*, May 30, 2013. See also Pia Lee-Brago, “PHL, China Stand Firm on Territorial Claims,” *Philippine Star*, June 19, 2013.

25. Frances Mangosing, “Top U.S. Navy Commander to Visit Manila to Tackle Security Challenges,” *Global Nation Inquirer*, June 5, 2013. For Second Thomas at the Shangri-La Dialogue, see Qi Jianguo, Voltaire Gazmin, and Peter MacKay, “New Trends in Asia-Pacific Security: Q&A” (transcript, Fourth Plenary Session, Shangri-La Dialogue, Singapore, June 2, 2013).

26. “U.S. Admiral Urges Compromise in Asian Sea Dispute,” Associated Press, June 5, 2013; Jaime Laude, “U.S. Military Commander, PHL Execs Tackle Sea Row,” *Philippine Star*, June 7, 2013.

27. Frances Mangosing, “U.S. Secretary of the Navy Meets with PH Defense, Military Officials,” *Global Nation Inquirer*, June 18, 2013; “Philippines Send Fresh Troops to Shoal at Center of Dispute with China,” *South China Morning Post*, June 19, 2013.

On June 19, Secretary Gazmin and Philippine Armed Forces Chief of Staff General Emmanuel Bautista both announced that the *Sierra Madre* had been successfully re-provisioned. Bautista said the resupply mission took place “this month,” and Gazmin stated that it had happened earlier that week.²⁸ If this was the same re-provisioning mission described by Philippine officials on May 29, then the whole operation took nearly three weeks, despite Second Thomas Shoal being less than two days from Palawan by sea.²⁹ Whatever the explanation, the Philippines reported “no interference” from Chinese vessels. General Bautista said China made no “aggressive moves” like attempting to impose a blockade.³⁰ As long as this remained the case, he stated, the Philippines had “no problem” with an enduring Chinese presence and Manila would persevere in its “nonconfrontational” approach.³¹ One Philippine Navy official stated that the Western Command had begun using nonmilitary ships that year to resupply the *Sierra Madre* in order to “avoid confrontation” with China.³² The Chinese foreign ministry denounced the Philippines’ occupation of Second Thomas Shoal on June 21 and again on June 24 in response to Manila drawing attention to the resupply mission.³³

Second Thomas Shoal figured prominently in the ASEAN Foreign Ministers’ Meeting in Brunei on June 29. The Chinese *People’s Daily* ran a blistering front-page commentary the opening day, condemning Manila’s “sins” in the South China Sea and warning of a possible Chinese “counterstrike.”³⁴ Philippine foreign affairs secretary Albert del Rosario was highly critical of China’s behavior at sea during the meeting. He condemned the “massive presence of Chinese military and paramilitary ships” at Scarborough and Second Thomas, describing them as “threats to efforts to maintain maritime peace and stability in the region.” Secretary del Rosario also accused China of violating the 2002 Declaration on the Conduct of Parties and militarizing the South China Sea dispute.³⁵ Del Rosario did extend an invitation for Chinese foreign minister Wang Yi to visit Manila for bilateral consultations, but the raised tensions led to “testy exchanges”

28. “Philippines Sends Fresh Troops to Disputed Shoal,” Associated Press, June 19, 2013; Frances Mangosing, “AFP Confirms Re-Provisioning, Troop Rotation Activities in Ayungin Shoal,” *Global Nation Inquirer*, June 19, 2013.

29. For Philippine resupply vessels, sailing to Second Thomas typically takes around 16 hours from Thitu Island or 36 to 40 hours from Palawan. “Grounded Ship Is PH’s Last Line of Defense vs. China,” Agence France-Presse; Rupert Wingfield-Hayes, “China’s Island Factory,” BBC, September 9, 2014.

30. Earlier, an anonymous AFP official had reported without confirmation that a third China Marine Surveillance ship arrived on June 3. See Jaime Laude, “Surveillance Ship Joins Other Chinese Vessels near Ayungin,” *Philippine Star*, June 4, 2013.

31. Secretary Gazmin had earlier described the “protocol” for unarmed logistics ships traveling to the Spratlys as one of “avoidance of dangerous maneuvers . . . [and] confrontational moves.” Mangosing, “AFP Confirms Re-Provisioning”; Victor Reyes, “No Chinese Interference as AFP Rotates Troops in Ayungin Shoal” *Malaya Business Insight*, June 20, 2013; Mangosing, “China Raises Concerns over PH’s Reported Development Plans.”

32. Manuel Mogato, “Manila Air-Drops Supplies to Troops on Disputed Reef,” Reuters, March 12, 2014. See also Marlon Ramos, “AFP: Civilian Ship Sent to Avoid Standoff at Ayungin,” *Philippine Daily Inquirer*, March 31, 2014; Tomas Etzler, “Wrecks, Rats, and Roaches,” CNN, July 2014.

33. “China Denounces Philippines for ‘Illegal Occupation’ of Reef,” Reuters, June 21, 2013; “China Reaffirms Sovereignty over Ren’ai Reef,” CCTV, June 24, 2013.

34. “China Media Warns Philippines of ‘Counterstrike’ in South China Sea,” Reuters, June 29, 2013.

35. “Chinese Military in S. China Sea ‘Threatens Peace,’” Agence France-Presse, June 30, 2013.

between the two ministers during closed sessions.³⁶ Reportedly, when del Rosario cited technical and financial obstacles to removing the grounded warship, Wang offered to have Chinese forces “do it themselves.”³⁷

Throughout July, Philippine officials reported that at least one Chinese coast guard cutter remained positioned near Second Thomas Shoal. The new leader of Western Command, Lieutenant General Rustico Guerrero, observed on July 11 that the Chinese presence was “dynamic” and varying from one to three vessels. Guerrero contended that the two sides were only engaged in mutual “monitoring” rather than a “standoff,” and that there had been no disruption to the Philippines’ supply lines.³⁸ Chinese vessels also reportedly began patrolling closer to the shoal around this time, coming as close as three nautical miles.³⁹

Although no major changes occurred at sea, Second Thomas remained on the minds of both Manila and Washington. On July 12, the commander of U.S. Marine Corps Forces, Pacific described in detail a possible role for the U.S. military in a contingency over the shoal.⁴⁰ Three days later, Manila issued an eight-point statement saying China’s assertiveness at sea had made it “impossible” to continue bilateral negotiations, which it suspended indefinitely. Beijing responded with “dissatisfaction” and “regret” the following day.⁴¹ Up to 2,000 Filipino demonstrators then forced China’s consulate in Makati City to close as they protested China’s maritime activities. Toward the end of the month, the U.S. Senate adopted a resolution criticizing China’s behavior in the South China Sea, including at Second Thomas Shoal. It was also leaked that U.S. P-3C Orion aircraft had conducting surveillance on Second Thomas from Clark Air Base north of Manila.⁴²

China’s posture became slightly more assertive in August. Multiple patrol ships from the newly unified China Coast Guard were present without interruption, and they sailed closer to the *Sierra Madre* than ever before. On August 24, Filipino fishermen taking shelter at Second Thomas reported two “stationary” Chinese cutters.⁴³ In a press conference a few days later, General Bautista confirmed that Filipino fishing boats were operating at the shoal without interference, but that China was keeping up a “continuous presence” of two to five PLA Navy, China Coast Guard, and civilian fishing vessels at a distance of two to five miles. Indeed, photography showed a China

36. Tarra Quismundo, “China’s Surveillance Ships back at Scarborough Shoal,” *Philippine Daily Inquirer*, July 8, 2013; Tarra Quismundo, “PH: China Turning Sea into Its Lake,” *Philippine Daily Inquirer*, July 11, 2013

37. See Ellen Tordesillas, “China Offers to Remove Sierra Madre from Ayungin Shoal,” *Vera Files*, July 2, 2013; “Chinese Navy Launches New Patrol Route in S. China Sea,” *Kyodo News International*; Robert Sutter and Chin-Hao Huang, “China’s Toughness on the South China Sea—Year II,” *Comparative Connections* 15, no. 2 (September 2013).

38. Frances Mangosing, “Wescom Chief: No Standoff in Ayungin Shoal,” *Global Nation Inquirer*, July 11, 2013; Jaime Sinapit, “Chinese Present at Ayungin, Both Sides on Wait-and-See Mode—Wescom Chief,” *InterAkyson*, July 11, 2013.

39. Tordesillas, “China Offers to Remove Sierra Madre from Ayungin Shoal.”

40. Terry G. Robling, “Lt. Gen. Terry G. Robling,” interview by Robin Laird, *Diplomat*, July 12, 2013.

41. Richard Javad Heydarian, “New Reef Rift Hits China-Philippines Ties,” *Asia Times*, July 18, 2013.

42. “Report: U.S. Senate Adopts Reso Slamming China over West Phl Sea Dispute,” *Philippine Star*, July 31, 2013; “Papers Confirm U.S. Planes Patrolled around Spratlys,” *Kyodo News*; Robert Beckhusen, “It’s Boom Time for Naval Spy Planes,” *War Is Boring*, July 31, 2013.

43. Jaime Laude, “2 Chinese Ships Still in Ayungin Shoal,” *Philippine Star*, August 24, 2013.

Coast Guard ship patrolling only 300 to 400 yards beyond the breakers of the reef.⁴⁴ Philippine mayor Eugenio Bito-onon claimed the Philippine Navy and Air Force flew maritime patrols “weekly” to monitor the situation.⁴⁵

Also in August, the *Sierra Madre* welcomed a Western journalist for the first time in a Philippine bid to gain greater international recognition. Joined by Mayor Bito-onon, a *New York Times* reporter rode aboard a small vessel to the shoal. As they approached from the south, the crew sighted one China Coast Guard cutter “stationed at either side of the reef.” The Chinese vessels did not move as the Philippine ship sailed north into the shoal. They eventually left their positions and patrolled in half-circles within eyeshot of the *Sierra Madre*. One Chinese ship steamed close enough for the Philippine marines to identify its bow markings. The cutters surveilled the Philippine outpost in this fashion for at least two days. At one point, they were seen chasing off a fishing vessel of unknown nationality. A Philippine soldier stationed on the *Sierra Madre* also informed the media that a U.S. P-3C often flew overhead, especially “whenever the Chinese made a significant tactical shift.”⁴⁶ This same month, Manila also accused Beijing of demanding it abandon both its arbitration case and Second Thomas Shoal in return for Beijing allowing President Aquino to attend the annual China-ASEAN Expo.⁴⁷

Typhoon Haiyan (known as Super Typhoon Yolanda in the Philippines) made landfall on the main Philippine archipelago in November. It was one of the strongest tropical storms ever recorded, claiming over 6,000 lives in the Philippines before moving on to China and Vietnam. According to the Philippine military, the Chinese vessels stationed near Second Thomas Shoal withdrew sometime in the first week of November rather than brave the onslaught.⁴⁸ On the other hand, the garrison itself reported to Western media that the China Coast Guard actually departed the shoal on October 16 but had continued to return twice a week for patrols lasting two to five hours each. The marines and the dilapidated hull of the *Sierra Madre* managed to survive the storm.⁴⁹

The detachment on the *Sierra Madre* believed this marked the end of China’s continuous presence. Yet that did not mean China was not still engaged in regular maritime surveillance of the shoal, presumably from nearby Mischief Reef. On November 12, a civilian Philippine logistics ship arrived at the shoal with provisions, rotational personnel, and “roofing and good lumber for repairs” to the ship’s hull, which had been damaged during the typhoon. No Chinese vessels were in

44. “Exclusive: Philippine Report Spies More ‘Assertive, Aggressive’ China in West Philippine Sea,” *InterAkysion*, January 17, 2014. One analyst mistakenly used an image from this original Philippine report to claim that two PLA Navy vessels patrolled Second Thomas Shoal in August 2013; in fact, the photograph in question is of Mischief Reef. See Carl Thayer, “Tensions Set to Rise in the South China Sea,” *Diplomat*, February 19, 2014.

45. Sinapit, “AFP Chief Confirms Illegal Activities of Chinese Fishers”; Carmela Fonbuena, “AFP: Up to 5 Chinese Ships Circling Panatag, Ayungin,” *Rappler*, August 28, 2013.

46. Jeff Himmelman, “A Game of Shark and Minnow,” *New York Times*, October 27, 2013.

47. See Michael del Callar, “Aquino Aborts Expo Attendance Due to ‘Unusual Request’ by China,” *GMA News*, September 2, 2013; Pots de Leon, “Why Did P-Noy Cancel His Trip to China? DFA Spokesman Explains,” *InterAkysion*, September 2, 2013; Ellen Tordesillas, “DFA Skips Issue on Cancellation of China Visit,” *Vera Files*, September 2, 2013.

48. Jaime Sinapit, “Philippine Marines on Grounded Ship Safe,” *InterAkysion*, November 11, 2013.

49. Jeff Himmelman, “After Typhoon Haiyan, a Dispatch from the South China Sea,” *New York Times*, December 14, 2013.

visual range when the supply vessel arrived, but within 45 minutes a China Coast Guard cutter was patrolling the breakers near the *Sierra Madre*.⁵⁰ This was the last rotation of marines to Second Thomas before the March 2014 incident.⁵¹

Phase II: Offers De-escalation If Manila Suspends Arbitration Case

Tensions over Second Thomas Shoal steadily rose once again in early 2014 over the submission deadline for a written plea in the Philippines' arbitration case in March. In January, Manila reportedly received a Chinese offer for an agreement to de-escalate the South China Sea dispute "through a lawmaker who acted as a backdoor negotiator." It is unknown whether this was Senator Antonio Trillanes IV, who was President Aquino's personal back channel to Beijing during earlier negotiations over Scarborough Shoal.⁵²

The bargain China allegedly offered was substantial. In return for the Philippines not submitting its memorial to a specially constituted arbitral tribunal at the Permanent Court of Arbitration, Beijing pledged to withdraw its coast guard from Scarborough Shoal as long as Manila guaranteed the disengagement would be mutual. In effect, China would forfeit the control it had gained over the shoal in the 2012 standoff—which had been the arbitration case's *raison d'être* in the first place, or at least the straw that broke the camel's back. Beijing also held out other "incentives," including investment in the Philippines. A second account asserted that China only requested that Manila delay its suit, with a senior Chinese official telling Senator Trillanes, "We don't expect the Philippines to withdraw the suit because we understand that national pride is at stake."⁵³ A senior Bruneian official also communicated his own government's hope that the Philippines would hold off.⁵⁴

The Philippine cabinet was divided when President Aquino informed them about the proposed deal during a full meeting of the cabinet in late January. Secretary del Rosario stood firmly against it. The president's office was initially undecided, but the foreign secretary's objections eventually won out. Officials remarked that the Scarborough Shoal issue "did not start" with the 2012 standoff, which was "just a manifestation of an earlier problem." There were also concerns about the credibility of such an offer coming through a backdoor negotiator.⁵⁵

As Manila debated the deal in mid-February, Chinese government ships reestablished a continuous presence at Second Thomas Shoal. There were conflicting reports about their affiliation and behavior. One Filipino media account put the Chinese presence at four China Coast Guard cutters, but another observed that only two were coast guard vessels while the others looked like PLA Navy "frigates." Similarly, Filipino fishermen operating in the vicinity of Second Thomas reported no interference from the Chinese ships, yet the officer in charge of the *Sierra Madre*

50. Sinapit, "Philippine Marines on Grounded Ship Safe."

51. Carmela Fonbuena, "PH Sending Ships to Ayungin despite Blockade," *Rappler*, March 13, 2014; Nikko Dizon, "Mission Possible to Ayungin Shoal: Get around China to Revisit 'LT 57,'" *Philippine Daily Inquirer*, April 6, 2014.

52. Esmaguell II, "China Offers PH 'Carrot.'"

53. *Ibid.*; Ayea Macaraig, "Dealing with China Not Like Hagglng in Divisoria," *Rappler*, February 27, 2014.

54. Ellen T. Tordesillas, "Is the Philippines Ready for China's Retaliation?" *Vera Files*, March 31, 2014.

55. Esmaguell II, "China Offers PH 'Carrot.'"

marines claimed that the Chinese cutters had become more aggressive.⁵⁶ Between December 2013 and March 2014, the Philippine detachment observed at least eight instances of Chinese vessels “bullying” Vietnamese and Filipino fishermen, which included chasing them away from the shoal.⁵⁷

Philippine officials never spoke on the record about the alleged deal or Manila’s ultimate decision. Some lawmakers had expressed interest, and neither was President Aquino totally against considering the bargain. Nevertheless, on February 25 Philippine spokespersons announced that Manila had decided to proceed with its memorial. Local media published stories about the rejected deal the very next day. Asked about the story, a Chinese embassy spokesperson said he had “no information to offer,” and Philippine officials likewise declined to comment.⁵⁸ On February 28, Secretary del Rosario then definitively affirmed that Manila was “working with full resolve” to submit its written pleading before the end of March. The same day, Manila asked the tribunal to amend its Statement of Claim to include the status of Second Thomas Shoal, which the court granted. The Philippines’ solicitor general soon announced that Manila had asked “Malaysia, Vietnam and two other governments” to join the Philippines’ arbitration case or to file their own separately.⁵⁹

Also on February 28, officials in Beijing answered questions on the case and the leaked offer. Calling the reports “sheer fabrication,” a foreign ministry spokesperson said Beijing would “never trade away [Chinese] sovereignty and territory.” He underscored China’s unshakable resolve and firm opposition to the Philippines’ initiation of arbitration proceedings.⁶⁰ Philippine officials soon began worrying about a possible backlash. On March 6, a former Philippine minister claimed China was privately “threatening” Manila not to file its memorial, “or else.”⁶¹

Phase III: Chinese Vessels Harass Philippine Supply Ships

On March 9, 2014, China disrupted a Philippine supply operation to Second Thomas Shoal for the first time since the *Sierra Madre* was run aground in 1999. Beijing broke the news on March 10. Responding to a question, a foreign ministry spokesperson described the incident and the rationale behind China’s actions in detail. Two China Coast Guard cutters were said to have been “on routine patrol in waters off” Second Thomas when they “spotted two Philippine-flagged vessels” headed to the shoal. The Chinese ships allegedly identified that the Philippine ships “were loaded with construction materials.” The coast guard then “spoke through [an] amplifier with these two

56. Jaime Laude, “4 Chinese Ships Back at Ayungin,” *Philippine Star*, February 22, 2014.

57. “Filipinos Saw China Blocking Fishermen from Shoal—Marine Officer,” Associated Press, April 22, 2014; Robert Sutter and Chin-Hao Huang, “South China Sea Advances Meet Stiff U.S.-Led Opposition,” *Comparative Connections* 16, no. 1 (May 2014).

58. Esmaguell II, “China Offers PH ‘Carrot’”; Macaraig, “Dealing with China Not Like Hagglng in Divisoria.”

59. Permanent Court of Arbitration, *Award on Jurisdiction and Admissibility*, PCA Case No. 2013-19 (October 29, 2015), 18; “PH Asks Neighbors to Join Case vs. China,” *Philippine Star*.

60. Qin Gang, “Foreign Ministry Spokesperson Qin Gang’s Regular Press Conference on February 28, 2014” (press conference, Ministry of Foreign Affairs, Beijing, February 28, 2014).

61. Paterno Esmaguell II, “PH Warned about Backlash from China,” *Rappler*, March 6, 2014.

[Philippine] ships,” which in turn left the same afternoon. Beijing justified this “necessary response” by reiterating China’s core objections to the Philippines’ “illegal” occupation of Second Thomas Shoal. The ministry spokesperson argued Manila had “blatantly violated” the 2002 Declaration on the Conduct of Parties by attempting to “carry out construction work” on the shoal, provoking China’s harassment.⁶²

Other Chinese sources soon expanded on this description. Xinhua painted the China Coast Guard’s actions as more aggressive than just using loudspeakers, with China said to have “expelled” or “driven away” the Philippine ships. Then again, the article stated the Philippine vessels had left after merely being “warned.”⁶³ In other press conferences a week later, a spokesperson from the Ministry of Foreign Affairs explained in more detail China’s view that the two Philippine ships “were loaded with concrete and rebar rather than food,” asking rhetorically, “[Are] concrete and rebar edible?” He called this “an out-and-out provocation” that warranted China’s response to “send away” the vessels.⁶⁴ Another official said the Philippines was violating its “own commitment” to China never to undertake further construction at the shoal.⁶⁵

The message Beijing communicated here—as it had previously in May 2013—was that it had no intention of disrupting the supply of basic provisions to Philippine military personnel. However, China would not accept the shipment of construction materials. This view has been echoed by Chinese media commentators, PLA academics, and university scholars, as well as by some U.S. analysts. One Chinese military expert noted that even if the Philippines was just shipping materials to carry out repairs, Beijing saw Manila’s ultimate goal as “consolidating” the wrecked ship into a “permanent settlement.”⁶⁶

Manila was slow to react to a confrontation it probably did not anticipate. A defense spokesperson initially said China Coast Guard vessels had “blocked” two Philippine vessels on their way to “re-provision” Second Thomas Shoal.⁶⁷ After digesting full reports from the military, Manila then made two official statements on March 11. First, a Department of Foreign Affairs press release

62. Qin Gang, “Foreign Ministry Spokesperson Qin Gang’s Regular Press Conference on March 10, 2014” (press conference, Ministry of Foreign Affairs, Beijing, March 10, 2014).

63. “China Expels Philippine Vessels from Ren’ai Reef,” Xinhua, March 10, 2014.

64. Qin Gang, “Foreign Ministry Spokesperson Qin Gang’s Remarks on Comments by the U.S. State Department on China’s Expulsion of Philippine Ships That Transported Construction Materials to the Ren’ai Reef” (press briefing, Ministry of Foreign Affairs, Beijing, March 13, 2014).

65. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on March 17, 2014” (press conference, Ministry of Foreign Affairs, March 17, 2014).

66. See “大校：菲趁中国搜救客机，欲加固仁爱礁坐滩舰” (Senior Colonel: Philippines Takes Advantage of China Searching for Passenger Plane, Wants to Strengthen Its Ship’s Occupation of Second Thomas Shoal), CCTV 7, March 31, 2014; “菲律宾为何再闯仁爱礁?” (Why Is the Philippines Stirring up Second Thomas Shoal Again?), Southeast Television, April 16, 2014; Chu Shulong, “China’s View on U.S. Policy in the South China Sea,” in *Perspectives on the South China Sea: Diplomatic, Legal, and Security Dimensions of the Dispute*, ed. Murray Hiebert, Phuong Nguyen, and Gregory B. Poling (Washington, DC: Center for Strategic and International Studies, 2014), 15; Bonnie Glaser, “Danger at Second Thomas Shoal,” Asia Maritime Transparency Initiative, December 23, 2014.

67. “China Drives away PH Ships from Shoal,” *Rappler*, March 10, 2014; “Chinese Ships Block Two PHL Vessels’ Approach to Ayungin Shoal,” *GMA News*, March 10, 2014.

condemned Beijing's "interference with the efforts of the Philippines to undertake rotation and resupply operations." The two "civilian vessels contracted by the Philippine Navy" were said to be merely conducting routine operations.⁶⁸

Second, a department spokesperson gave the Philippines' full account of the episode. At 9:30 am on the day of the confrontation, two China Coast Guard vessels reportedly began tailing the Philippine civilian ships, and around 10:00 am, they tried to "block and prevent" them from reaching Second Thomas. Then at 12:40 pm, the Chinese cutters used a "digital signboard, sirens, and megaphones" to demand the Philippines "leave the area," claiming the shoal as "part of their jurisdiction."⁶⁹ Manila offered no information about what occurred during next two hours, but at 2:30 pm, the Philippine vessels apparently yielded and returned to Palawan.⁷⁰ The department also announced that it had summoned the Chinese chargé d'affaires in Manila to formally protest the incident.⁷¹ Responding to the Philippines' account, the Chinese Ministry of Foreign Affairs rejected its "unfounded countercharges" and demanded that the Philippines "make good on its commitment [to] tow away the ship."⁷²

The Philippines publicly asserted that it was only trying to "bring provisions" and "resupply" its troops stationed aboard the *Sierra Madre*. However, numerous Philippine sources suggested that was not the full story. One Philippine Navy official soon told the media, "We only intend to improve the conditions there, we have no plans to expand or build permanent structures on the shoal," with the implication that the transport ships were carrying more than food, water, and new marines. Two other security officials rejected the label of "construction materials," but admitted the vessels had carried "items for the improvement of the living condition of our troops there, the habitability of the place."⁷³ A third official stated that the Philippines was in the process of "conducting repairs inside the ship to keep it from disintegrating," and a fourth acknowledged that it had "sent supplies and equipment for repair[s]."⁷⁴ Despite the public denial, Manila thus unofficially acknowledged it was consolidating its outpost. This was justified by differentiating the erection of

68. Philippine DFA, "DFA Statement on Ayungin Shoal Incident," press release, March 11, 2014.

69. What specific actions the Chinese ships took were not disclosed. Michaela del Callar, "PHL Protests China's Blocking of PHL Vessels at Ayungin Shoal," *GMA News*, March 11, 2014; "Philippines Protests Ayungin Shoal Incident," *Philippine Daily Inquirer*, March 12, 2014; "Grounded Ship Is PH's Last Line of Defense vs. China," Agence France-Presse; Wingfield-Hayes, "China's Island Factory."

70. Around this time, a Filipino media outlet also published an image obtained from the Kalayaan local government that purportedly depicted "three Chinese ships . . . patrolling the seas" at Second Thomas, yet the photographed ships are clearly fishing trawlers, if Chinese. "PHL Protests China's Shooing Away of 2 Boats on Ayungin Shoal," *InterAkysan*, March 11, 2014.

71. "Philippines Protests Ayungin Shoal Incident," *Philippine Daily Inquirer*.

72. Qin Gang, "Foreign Ministry Spokesperson Qin Gang's Regular Press Conference on March 12, 2014" (press conference, Ministry of Foreign Affairs, Beijing, March 12, 2014).

73. "Philippines Protests Ayungin Shoal Incident," *Philippine Daily Inquirer*; Mogato, "Manila Air-Drops Supplies to Troops"; Fonbuena, "PH Sending Ships to Ayungin despite Blockade."

74. "BRP *Sierra Madre* Set to Be Repaired," *Manila Standard Today*, March 23, 2014; Nikko Dizon, "Daring Fishers also in the Minds of Ayungin Defenders," *Philippine Daily Inquirer*, April 2, 2014; Eric Campbell, "Reef Madness," Australian Broadcasting Corporation, May 20, 2014.

“new” structures from “repairs” or even “improvements” to existing facilities.⁷⁵ Yet Beijing did not accept this distinction, in part because up to this time neither party publicly recognized the *Sierra Madre* as a permanent Philippine outpost.

Filipino media then disclosed that after the March 9 confrontation, the Philippine military immediately acted to resupply the garrison at Second Thomas with basic provisions. On March 10, a Philippine Navy BN-2 Islander utility aircraft dropped sacks of food and a few gallons of water to the troops. It flew about an hour from Puerto Princesa City airport in Palawan, maneuvering at an altitude of 500 feet to land packages on the warship’s deck.⁷⁶ Sources differ on whether this resupply mission would tide the marines over for days or weeks, but all agreed that relying solely on airdrops was unsustainable. At one point the marine rotation actually ran out of potable water, leaving them less than a week to get resupplied or evacuate. Manila ultimately conducted two airdrops of basic supplies between March 10 and 29.⁷⁷ There are no reports of China attempting to interfere. One Chinese military commentator later argued that Beijing “did not take [any] countermeasures” because it “would never let [Manila’s] people starve.”⁷⁸ During this time, the Philippine detachment at Second Thomas reported Chinese activities back to Western Command every four hours.⁷⁹

According to officials, the Philippines’ strategy for resolving the confrontation and broader dispute would rely on “the power of diplomacy and international support.” A presidential spokesperson emphasized Manila’s “rules-based approach” of seeking international arbitration. Another said the Philippines would continue lobbying for support from ASEAN, the United States, Japan, and other partners.⁸⁰

On March 12, Manila received its first signal of U.S. support. A State Department spokesperson condemned China’s harassment as a “provocative move that raises tensions.” She asserted that “there should be no interference with the efforts of claimants to maintain the status quo,” and that “freedom of navigation . . . must be maintained.”⁸¹ The U.S. deputy chief of mission in Manila also

75. See, for example, Manuel Mogato, “Exclusive: Philippines Reinforcing Rusting Ship on Spratly Reef Outpost—Sources,” Reuters, July 13, 2015; “DND Twits China, Says Repair of Rusty Ship Complied with Int’l Law,” *GMA News*, July 16, 2015.

76. Mogato, “Manila Air-Drops Supplies to Troops”; Jason Guterrez, “Focus—Philippine Soldiers on Lonely Ayungin Shoal Outpost Face the ‘Enemy,’” *Agence France-Presse*, April 2, 2014; Jaime Laude, “Special Delivery: Chicken Joy for Ayungin Troops,” *Philippine Star*, May 4, 2014.

77. “Manila to Challenge China Blockade in South China Sea,” Reuters, March 13, 2014; Guterrez, “Focus—Philippine Soldiers on Lonely Ayungin Shoal Outpost”; Mogato, “Manila Air-Drops Supplies to Troops”; “China Coast Guard Trained with Water Cannons near Ayungin—PHL Marine,” *GMA News*, March 30, 2014; Jim Gomez, “Philippine Supply Ship Evades Chinese Vessel,” *Associated Press*, March 29, 2014.

78. “(Why Is the Philippines Stirring up Second Thomas Shoal Again?),” Southeast Television.

79. Dizon, “Mission Possible to Ayungin Shoal.”

80. Kristine Angeli Sabillo, “Palace on Ayungin Shoal: What’s Ours Is Ours,” *Global Nation Inquirer*, March 12, 2014; Kimberly Jane Tan, “Palace Maintains Diplomatic Approach in South China Sea Dispute,” *GMA News*, March 12, 2014; Del Callar, “PHL Protests China’s Blocking of PHL Vessels.”

81. Mogato, “Manila Air-Drops Supplies to Troops on Disputed Reef.”

explained that in Washington's view, "the regular resupply and rotation of personnel positioned in the South China Sea at locations that have existed since before the [2002] Declaration . . . is consistent with the maintenance of the status quo." He clearly identified "the Philippine outpost at Second Thomas Shoal" as one such installation.⁸²

This recognition of the BRP *Sierra Madre* as a part of the pre-2002 status quo had important implications for both regional diplomacy and U.S. treaty commitments. First, at this point not even Manila had officially recognized the *Sierra Madre* as a permanent outpost, and up to the present the U.S. Department of Defense still classifies it inconsistently—sometimes as an "outpost" and sometimes as a naval "presence."⁸³ The *Sierra Madre* did not appear alongside other permanent Philippine installations in the Pentagon's August 2015 Asia-Pacific maritime strategy paper. Second, Washington identified the Philippines' activities as consistent with the status quo, leaving unanswered whether repairs or improvements were also legitimate. Responding to these statements, a Chinese foreign ministry spokesperson accused the United States of "taking sides" and speaking "in disregard of the facts."⁸⁴

The Philippines released its own pivotal statement on the status of the *Sierra Madre* on March 14. For the first time, Manila acknowledged publicly that the vessel had been "placed" on the shoal deliberately in 1999 to "serve as a permanent Philippine Government installation." This was said to be in direct reaction to "China's illegal occupation of Mischief Reef in 1995." Manila noted that the *Sierra Madre* had been grounded prior to the 2002 Declaration and also reiterated the Philippines' claim to the shoal on the basis of its continental shelf.⁸⁵ This was a departure from Manila's historical stance, but Philippine officials never addressed whether they or previous administrations had agreed to pull out the vessel.⁸⁶

China reacted to the Philippines' "shocking" announcement three days later. A foreign ministry spokesperson said Manila had made an "unequivocal commitment to China on many occasions that it would tow away the ship 'grounded' on [Second Thomas] due to 'malfunction,'" and in 2003 separately "made another solemn commitment that it would not become the first country to violate the [2002 Declaration] regarding" the shoal. He allowed that the "sitting Philippine government was not the one of 15 years ago," but demanded that "as a country the Philippines should honor its commitment" or else risk losing its "credibility." Finally, Beijing warned of "consequences" to any "further possible provocations in the South China Sea by the Philippines."⁸⁷ Other nonauthoritative

82. Tarra Quismundo, "U.S. Troubled by Ayungin Shoal Incident," *Philippine Daily Inquirer*, March 12, 2014.

83. See U.S. Department of Defense, *Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment* (Arlington, VA: DOD, 2015); U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2015* (Arlington, VA: DOD, 2015), 22; U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016* (Arlington, VA: DOD, 2016), 44.

84. Gang, "Foreign Ministry Spokesperson Remarks" (March 13, 2014).

85. Philippine DFA, "The Department of Foreign Affairs' Statement on China's Allegation That the Philippines Agreed to Pull out of the Ayungin Shoal," press release, March 14, 2014.

86. Rodel Rodis, "Gazmin's Twit," *Global Nation Inquirer*, March 26, 2014.

87. Hong Lei, "Foreign Ministry Spokesperson Regular Press Conference on March 17, 2014."

Chinese sources likewise insisted in subsequent weeks that Manila's "dissembling has finally come to an end." One *People's Daily* op-ed asserted that "any future moves by the Philippines . . . can be understood [to mean] that they intend to maintain their illegal presence." PLA academics speculated that the *Sierra Madre's* deteriorating conditions had finally forced Manila to consolidate its occupation openly.⁸⁸

The commander of the U.S. Seventh Fleet arrived in Manila aboard the USS *Blue Ridge* on March 18 as the Philippines prepared to reattempt a supply mission to Second Thomas by sea. Vice Admiral Robert Thomas was asked in a press conference what involvement the United States might have in a contingency over the shoal. He stated, "Without going into hypotheticals, the Seventh Fleet is going to support this alliance, period."⁸⁹ Despite the deliberate ambiguity, Manila publicly called this a signal that Washington "would abide by [its] treaty obligations."⁹⁰

U.S. president Barack Obama and Chinese president Xi Jinping held a private meeting in The Hague on March 24. President Obama made mild remarks before the bilateral meeting, suggesting the two countries could "work through frictions" like "maritime issues in the South China Sea."⁹¹ However, Daniel Russel, the assistant secretary of state for East Asia and the Pacific, later suggested that Obama may have been quite firm with Xi over Second Thomas Shoal. Assistant Secretary Russel said President Obama had made clear to his Chinese counterpart "that the use of force, the use of coercion, the threat of force and other means of intimidation are unacceptable as vehicles for advancing China's territorial claims."⁹²

Diplomatic tensions rose further as Manila prepared to submit its memorial to the arbitral tribunal by the end of March. On March 18, the Philippines wrote to the court that China's actions to "prevent the rotation and resupply of Philippine personnel stationed at Second Thomas Shoal . . . seriously aggravates and extends the dispute." The tribunal welcomed comments from China the following day.⁹³ On March 26, a Chinese spokesperson stated, "China will never accept nor participate in the international arbitration unilaterally initiated and pushed by the Philippines." Beijing voiced its hope that Manila would return to bilateral negotiations but said its resolve to defend Chinese sovereignty was "unswerving."⁹⁴ The next day, a Chinese defense ministry spokesperson declared the Philippines' approach to be "doomed to failure."⁹⁵

88. Hua Yiwen, "Philippines Get Bolder on Ren'ai Reef Issue," *People's Daily Online*, March 20, 2014; "中国外交部: 仁爱礁问题真相 已是众所周知" (Chinese Foreign Ministry: The Truth of the Second Thomas Shoal Issue Is Well Known), BTV Youth Channel, March 31, 2014; "(Why Is the Philippines Stirring up Second Thomas Shoal Again?)," Southeast Television.

89. "U.S. Commander Emphasizes Philippine Alliance," *Agence-France Presse*, March 18, 2014.

90. "New DFA Spokesman Talks Tough against China," *Global Nation Inquirer*, March 19, 2014.

91. Barack Obama, "Remarks by President Obama and President Xi Jinping of China before Bilateral Meeting" (press conference, The Hague, Netherlands, March 24, 2014).

92. U.S. Senate Committee on Foreign Relations, Subcommittee on East Asian and Pacific Affairs, "Evaluating U.S. Policy on Taiwan on the 35th Anniversary of the Taiwan Relations Act (TRA)," April 3, 2014.

93. Permanent Court of Arbitration, *Award on Jurisdiction and Admissibility*, 18.

94. Hong Lei, "Foreign Ministry Spokesperson Hong Lei's Regular Press Conference on March 26, 2014" (press conference, Ministry of Foreign Affairs, Beijing, March 26, 2014).

95. "China Rebukes Philippines on Ren'ai Reef Stance," *Xinhua*, March 27, 2014.

Phase IV: With U.S. Support, Manila Resupplies Shoal and Files Case

On March 29, 2014, a Philippine supply vessel carrying provisions, new marines, and both foreign and Filipino journalists successfully reached the *Sierra Madre*. The ship endured harassment by Chinese vessels, but was eventually able to pass through. Philippine, Chinese, and U.S. surveillance aircraft all closely monitored the operation from above.

As in the past, Philippine leadership handed down strict rules of engagement. The new Western Command leader, Lieutenant General Roy Deveraturda, gave orders for a policy of “maximum tolerance.” According to an official involved in the operation, “We monitored everything through our radio, but we are under orders to keep our distance.” Another officer explained, “No amount of China’s bullying or provocation will draw us to move first against them.”⁹⁶ To this end, the main resupply vessel was an auxiliary research ship in the Philippine Navy operated by the Bureau of Fisheries and Aquatic Resources. This was the 102-foot BRP *Fort San Antonio* (AM-700), manned by four navy officers and 20 enlisted personnel all wearing civilian clothes. A smaller civilian vessel, the *M/V Unnaizah May*, was also part of the expedition, but it suffered mechanical issues halfway through the trip and never made it to Second Thomas.⁹⁷ After the mission, a Philippine spokesperson explained that the purpose of using civilian ships was “to avoid a confrontation . . . and to show them our intent, which was to re-provision and rotate our personnel, and nothing more.”⁹⁸ Lieutenant Ferdinand Gato, the Philippine Navy officer in command of the Philippine supply vessel, said his instructions defined Chinese “harassment” as a “very obvious . . . blocking [of] our ship’s path. If we change course and they follow, then we change course again, go ahead and report it.”⁹⁹

This resupply mission was planned weeks in advance in secrecy to avoid alerting the Chinese. Western Command operations centers limited their use of cell phones and computer ports. Some military offices were disconnected from the Internet, so official communications were printed and hand-delivered rather than sent by e-mail. Officials also spoke in codes and regional dialects. The journalists traveling aboard the government vessels were not allowed to call, text, or upload information after the launch.¹⁰⁰

Despite these precautions, Manila believed that the mission was “compromised” from the start. On March 26, a Philippine Navy installation on Palawan “lost all communications signals” with no

96. Jose Katigbak, “U.S. Calls for End to Chinese Provocation in Ayungin,” *Philippine Star*, April 2, 2014; “Chinese Coast Guard Harassing PH Ship at Ayungin Shoal,” *Philippine Daily Inquirer*, March 29, 2014.

97. The *M/V Unnaizah May* was one of the two supply vessels used on March 9. Gomez, “Philippine Supply Ship Evades Chinese Vessel”; Nikko Dizon, “Ayungin Shoal Standoff: At Sunset, I’ll Jump into the Water to Enjoy What’s Ours,” *Philippine Daily Inquirer*, March 30, 2014; Nikko Dizon, “AFP Uses Couriers to Foil China Spies,” *Philippine Daily Inquirer*, April 29, 2014.

98. Ramos, “AFP: Civilian Ship Sent to Avoid Standoff.”

99. *Spratlys: The Islands of Freedom*, directed by Chiara Zambrano (2015; New York, NY: ABS-CBN Corporation, 2015), DVD, 00:02:30.

100. Rene Acosta, “Marines to Continue Manning Outpost at Ayungin Shoal,” *Business Mirror*, April 2, 2014; Dizon, “AFP Uses Couriers to Foil China Spies”; Jaime Laude, “China Eavesdropping on PH Maritime Activities?,” *Philippine Star*, April 20, 2014.

disruptions reported elsewhere.¹⁰¹ The next day, Philippine marines at Second Thomas reported that the China Coast Guard was practicing using water cannons within sight of the *Sierra Madre*. Manila interpreted this as preparations for the arrival of Philippine vessels.¹⁰² One Filipino journalist claimed the China Coast Guard used water cannons to drive Filipino fishing boats away from the shoal on March 28, yet another reported that Chinese forces did not harass any fishermen around the time of the mission.¹⁰³

A central aspect of the Philippines' strategy was having foreign journalists accompany the mission. Eighteen journalists joined the trip, including the Associated Press. Explaining the decision, a Philippine military spokesperson said they were "invited to observe for transparency." General Bautista conveyed a more calculated logic, noting "we are executing a strategy. [This is] all part of it."¹⁰⁴ The journalists inferred that the mission was coordinated with the United States, but their handlers would not confirm it.¹⁰⁵ Afterward, Manila let these journalists report on the mission rather than give an official detailed account itself.¹⁰⁶

The two Philippine supply vessels left their jump-off point near Puerto Princesa on Palawan around 3 am on March 28. The crew ultimately journeyed 36 hours before reaching the *Sierra Madre*. The BRP *Fort San Antonio* and M/V *Unnaizah May* carried approximately 10 tons of food supplies, including rice, canned goods, and drinking water. When the *Unnaizah May* was disabled by a broken propeller shaft during the day on March 28, all the journalists on board piled into the *Fort San Antonio* while the *Unnaizah May* remained behind.¹⁰⁷ A U.S. Navy aircraft may have appeared when the two vessels stopped to inspect the *Unnaizah May's* mechanical failure, flying directly above the Philippine ships. That night, an unidentified foreign helicopter also flew close by, but it was too dark to make an identification.¹⁰⁸

On the morning of March 29, the Philippine supply ship began noticing military aircraft circling overhead. Reporters first spotted a gray-colored aircraft, followed by a different aircraft several

101. Chiara Zambrano, "Mission to Ayungin Shoal: On Board the BRP *Sierra Madre*," *ABS-CBN News*, April 2014; Dizon, "AFP Uses Couriers to Foil China Spies."

102. "China Coast Guard Trained with Water Cannons," *GMA News*; "NewsLife: En Route to Ayungin Shoal; Chinese Coastguard Threatens PHL Navy," *YouTube* video, posted by PTV, April 2, 2014.

103. Zambrano, "Mission to Ayungin Shoal"; Dizon, "AFP Uses Couriers to Foil China Spies."

104. Gomez, "Philippine Supply Ship Evades Chinese Vessel"; Dizon, "Ayungin Shoal Standoff"; Alexis Romero, "China Tries to Block PHL Supply Ship," *Philippine Star*, March 30, 2014; Frances Mangosing, "AFP: China Doesn't Scare Us," *Global Nation Inquirer*, April 1, 2014.

105. Dizon, "AFP Uses Couriers to Foil China Spies."

106. See "Philippine Vessel Evades China 'Blockade' off Disputed Reef," *Agence France-Presse*, March 29, 2014; Jaime Sinapit and Pots de Leon, "Chinese Vessels Harass, but Fail to Stop, Resupply Mission for PH Navy Ship at Ayungin Shoal," *InterAkyson*, March 29, 2014; "Resupply Ship Reached Ayungin Shoal despite Reported Harassment," *GMA News*, March 29, 2014.

107. Dizon, "Ayungin Shoal Standoff"; Gomez, "Philippine Supply Ship Evades Chinese Vessel"; Dizon, "AFP Uses Couriers to Foil China Spies."

108. See Nikko Dizon, "Sleepless on Ayungin Shoal," *Philippine Daily Inquirer*, April 1, 2014; "Special Report: PHL vessel, hindi nagpatinag sa mga Chinese Coastguard sa Ayungin Shoal," *YouTube* video, posted by "PTV," April 2, 2014; "News-Life: En Route to Ayungin Shoal," *YouTube* video.

hours later. Although some could not be identified, U.S., Philippine, and Chinese aircraft were all recognized.¹⁰⁹ Photojournalists captured aircraft with “U.S. Navy” markings at least twice, including a P-8A Poseidon maritime surveillance aircraft.¹¹⁰ According to sources, the P-8 deliberately made “low passes” near the shoal to make its presence obvious to all parties.¹¹¹ The Philippine ambassador in Washington, Jose Cuisia, Jr., stated that the United States “assisted the Philippine Navy in being able to evade the Chinese ships” as part of “the strategy that was discussed” beforehand.¹¹² This has been confirmed by other Philippine leaders, but never by the United States itself publicly.¹¹³ Philippine military officials may also have identified an additional Chinese airborne early warning and control aircraft during the mission.¹¹⁴ Finally, one Chinese official later claimed that a U.S. Navy vessel was also positioned nearby at the time.¹¹⁵

As the BRP *Fort San Antonio* approached the shoal from the northeast around 1 pm, a 229-foot *Shuke I*-class China Coast Guard ship appeared on the horizon. The ship kept some distance off the *Fort San Antonio*'s port side until a second coast guard cutter, a larger 328-foot *Zhaoli*-class vessel, arrived when the Philippine ship was about 7.5 nautical miles from the reef.¹¹⁶ Reporters only photographed these two vessels. However, Lieutenant Gato allegedly observed one additional Chinese vessel during the mission, and a foreign journalist traveling aboard a Philippine Air Force aircraft circling above the area reported four total Chinese ships. Another reporter asserted that two PLA Navy warships were also deployed 10 nm from the shoal.¹¹⁷

The larger China Coast Guard ship then steamed within 200 yards of the *Fort San Antonio* while the smaller vessel held back. Some Philippine military officials speculated that it was waiting for

109. “NewsLife: En Route to Ayungin Shoal,” *YouTube* video; Erik de Castro and Roli Ng, “Philippine Ship Dodges China Blockade to Reach South China Sea Outpost,” Reuters, March 31, 2014.

110. Dizon, “Sleepless on Ayungin Shoal”; “叶海林: 菲方为坐滩船只补给意在为仲裁造势” (Ye Hailin: Philippines’ Resupply of Beached Ship Intended to Boost Publicity for Arbitration), CCTV 4, April 12, 2014.

111. Dizon, “AFP Uses Couriers to Foil China Spies”; Geoff Dyer and Richard McGregor, “Pentagon Plans New Tactics to Deter China in South China Sea,” *Financial Times*, July 10, 2014; Matt Spetalnick and Manuel Mogato, “Obama Looks to Salvage Asia ‘Pivot’ as Allies Fret about China,” Reuters, April 18, 2014.

112. Carmela Fonbuena, “U.S. Helped PH Navy in Ayungin Mission,” *Rappler*, April 11, 2014.

113. See Jim Gomez, “Philippines Seeks U.S. Help to Protect Troops in Disputed Sea,” Associated Press, August 26, 2015; Nikko Dizon, “EDCA a Deterrent to War—Bautista,” *Philippine Daily Inquirer*, May 25, 2014; Marie Harf, “Daily Press Briefing” (press conference, U.S. Department of State, Washington, DC, March 31, 2014).

114. Filipino journalists took photographs of the aircraft during the mission. Military officials who viewed photos later said they believed it was Chinese, likely a Chinese KJ-2000 aircraft. Dizon, “Sleepless on Ayungin Shoal.”

115. Bonnie S. Glaser, “U.S. Strategy Seeks to Calm the Roiled Waters of the South China Sea,” in *Perspectives on the South China Sea: Diplomatic, Legal, and Security Dimensions of the Dispute*, ed. Murray Hiebert, Phuong Nguyen, and Gregory B. Poling (Washington, DC: Center for Strategic and International Studies, 2014), 57.

116. These were the CCG 1127 and CCG 3401, respectively. Gomez, “Philippine Supply Ship Evades Chinese Vessel”; De Castro and Ng, “Philippine Ship Dodges China Blockade”; *Spratlys: The Islands of Freedom*, directed by Chiara Zambrano.

117. Dizon, “Sleepless on Ayungin Shoal”; “Philippine Vessel Evades China ‘Blockade,’” Agence France-Presse; Dizon, “AFP Uses Couriers to Foil China Spies.”

the *M/V Unnaizah May*, not knowing it had turned around the day before.¹¹⁸ As the *Sierra Madre* came into view five nm away, the larger Chinese cutter hailed the *Fort San Antonio* at 1:17 pm and radioed in English, "Please identify yourself." Lieutenant Gato responded, "This is [a] Republic of the Philippines ship. This is a civilian vessel." A long pause followed, after which the Chinese officer responded, "Your vessel has entered the sea area under the jurisdiction of China. May I know what is the purpose of your entering the sea area?" Gato answered that they were "proceeding to re-provision our vessel."¹¹⁹ Several terse exchanges followed, during which the Philippines was ordered to stop its mission and leave the area. Finally, the Chinese radioed back, "You will take full responsibility for the consequences of your actions."¹²⁰

This vessel began blaring its air horn continuously and crossed the *Fort San Antonio's* bow over to its starboard side. Now only 70 yards away, it kept repeating its radio message to "stop immediately, stop all illegal activities and leave" while a Chinese crew member standing on the deck gestured for the *Fort San Antonio* to turn around.¹²¹ The Chinese officer also claimed the Philippines' "action here has infringed upon the marine rights and the interests of the People's Republic of China" as well as its "laws."¹²² The marines aboard the *Fort San Antonio* waved the peace sign at the Chinese vessel as journalists recorded the event. This standoff lasted an hour until the ship turned back to cross the *Fort San Antonio's* bow once again and the *Fort San Antonio* was forced to cut its engine to avoid a collision. The Chinese vessel then resumed sailing alongside the Philippine ship's port side.¹²³

Seizing this opportunity, the *Fort San Antonio* suddenly veered off to the right and quickly reached shallower waters around the reef, into which the larger Chinese vessels could not follow safely.¹²⁴ In some places, the waters surrounding the *Sierra Madre* are only five feet deep.¹²⁵ Media reports later described the *Fort San Antonio* as having "slipped past" or "evaded" a "blockade," but the Chinese cutters actually seem to have made no movements whatsoever to pursue. By 2:13 pm, the Philippine ship had put some distance between it and the China Coast Guard, which stopped hailing. Navy personnel hoisted the Republic of the Philippines flag atop the mast as the ship

118. "Special Report: PHL vessel," *YouTube* video; Romero, "China Tries to Block Phl Supply Ship"; Dizon, "AFP Uses Couriers to Foil China Spies."

119. Dizon, "Ayungin Shoal Standoff."

120. "China-Philippines Navy Spat Captured on Camera," BBC News, March 30, 2014; Gomez, "Philippine Supply Ship Evades Chinese Vessel."

121. Dizon, "Ayungin Shoal Standoff"; "China-Philippines Navy Spat Captured on Camera," BBC News.

122. "Philippine Ship Plays Cat-and-Mouse with Chinese Vessels," *YouTube* video, posted by "ABS-CBN News," March 31, 2014.

123. Gomez, "Philippine Supply Ship Evades Chinese Vessel"; Romero, "China Tries to Block Phl Supply Ship"; Dizon, "Ayungin Shoal Standoff"; "China-Philippines Navy Spat Captured on Camera," BBC News.

124. Gomez, "Philippine Supply Ship Evades Chinese Vessel"; "Philippine Vessel Evades China 'Blockade,'" Agence France-Presse.

125. Etzler, "Wrecks, Rats, and Roaches"; "Chinese Coast Guard Harass Kalayaan Municipal Officers," *ABS-CBN News*, August 13, 2014; Fonbuena, "AFP: Up to 5 Chinese Ships Circling Panatag, Ayungin."

entered Second Thomas Shoal through one of the gaps in the coral rim. The supply boat reached the *Sierra Madre* at 3:02 pm, and offloaded its supplies using pulleys that afternoon.¹²⁶

That evening, two China Coast Guard vessels were observed patrolling along the western side of the reef near the *Sierra Madre*, as well as a third vessel beyond the eastern rim at least five nautical miles away. Around midnight, one switched a spotlight on what appeared to be a small fishing boat entering the shoal. Unidentified aircraft with red blinking lights also flew past and “hovered over” the *Sierra Madre* throughout the night. When the *Fort San Antonio* departed the shoal the following day, the Chinese did not move to intercept it as feared.¹²⁷

The Philippine military and president’s office were triumphant about the mission’s success. On the evening of March 29, the Department of Foreign Affairs “condemn[ed] the harassment by the Chinese coast guard of our civilian vessels” and demanded that China “cease taking actions that are a threat to our security.” A presidential spokesperson also suggested Manila would file a new *démarche* with Beijing over its threatening behavior during the resupply operation.¹²⁸ The Chinese commented that night, accusing the Philippines of intentionally using foreign journalists to “hyp[e] up the issue of the South China Sea.” Beijing also made clear its “will and resolve” to prevent Manila’s attempt to “seize” Second Thomas Shoal and “undermine” the 2002 China-ASEAN Declaration.¹²⁹

Manila submitted its 4,000-page memorial detailing its position to the arbitral tribunal the next day on March 30. General Bautista rejected charges that Manila had an ulterior motive for the submission, noting that the resupply “was very much delayed already.”¹³⁰ Along with other military officials, President Aquino personally vowed that the Philippines would continue to re-provision its soldiers in the Spratlys. He observed that the recent operation “didn’t pose a threat to any other country,” a view echoed by Secretary del Rosario. Vice President Binay stated that at least he believed Beijing had shown it was unwilling to risk a conflict over the issue.¹³¹ Manila also wrote to the tribunal once again regarding China’s behavior during the mission.¹³²

Around this time, Chinese vice foreign minister Liu Zhenmin summoned the Philippine ambassador in Beijing. Liu lodged “solemn representations” over the Philippines’ “unilateral promotion of

126. Gomez, “Philippine Supply Ship Evades Chinese Vessel”; “Philippine Vessel Evades China ‘Blockade,’” Agence France-Presse; Dizon, “Ayungin Shoal Standoff”; “Special Report: PHL vessel,” *YouTube* video.

127. Dizon, “Sleepless on Ayungin Shoal”; Kristine Angeli Sabillo, “PH Files 4,000-Page ‘Memorial’ vs. China before Int’l Court,” *Global Nation Inquirer*, March 30, 2014.

128. “Philippine Vessel Evades China ‘Blockade,’” Agence France-Presse; Sinapit and de Leon, “Chinese Vessels Harass, but Fail to Stop, Resupply Mission”; “Resupply Ship Reached Ayungin Shoal despite Reported Harassment,” *GMA News*.

129. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Remarks on the Philippines’ Hype around the Issue of the Ren’ai Reef” (press conference, Ministry of Foreign Affairs, Beijing, March 29, 2014); “China Never Allows Philippines to Seize Ren’ai Reef: FM Spokesman,” *Xinhua*, March 29, 2014.

130. Sabillo, “PH Files 4,000-Page ‘Memorial’ vs. China before Int’l Court”; Mangosing, “AFP: China Doesn’t Scare Us.”

131. Ramos, “AFP: Civilian Ship Sent to Avoid Standoff”; Andreo Calonzo, “PNoy: China Should Recognize PHL’s Right to Defend Interests,” *GMA News*, March 31, 2014; Mangosing, “AFP: China Doesn’t Scare Us”; Matikas Santos, “DFA: PH Defending Territory, Not Smearing China,” *Global Nation Inquirer*, April 4, 2014; “VP Binay: PHL Will Defend Territory ‘Up to the Last Blood,’” *GMA News*, April 11, 2014.

132. Permanent Court of Arbitration, *Award on Jurisdiction and Admissibility*, 19.

international arbitration,” of which China’s rejection and nonparticipation “did not and would not change.” He also expressed opposition of Manila’s “organization of the reporting trip to waters off [Second Thomas Shoal]” as well as any further attempts to “build any facilities” there. Beijing would continue its approach, Liu argued, of resolutely defending its sovereignty while also promoting bilateral negotiations, even though Manila had abandoned the “consensus repeatedly affirmed by the two sides.”¹³³

On March 31, the United States commented on this latest Second Thomas Shoal incident as well as the arbitration proceedings for the first time. A State Department spokesperson characterized the incident as a “routine resupply and rotation of personnel at the Philippines’ presence at Second Thomas Shoal,” which was “not a change in the status quo.” China’s “harassment” and “attempt to block Philippine vessels,” on the other hand, was “a provocative and destabilizing action” that “raises tensions and is inconsistent with the important principle of freedom of navigation.” She stated that as the Philippines’ “treaty ally,” the United States urged China “to refrain from further provocative behavior by allowing the Philippines to continue to maintain its presence.” The State Department identified the Philippine presence as one of the “previously established outposts” and called on China to “clarify its ambiguous [maritime] claim,” move forward on negotiation with ASEAN on a binding Code of Conduct, and refrain from taking any other “escalatory actions.”¹³⁴

Beijing responded by reiterating its positions on March 31 and April 1. The Ministry of Foreign Affairs charged that Manila “deliberately schemed” to resupply the *Sierra Madre* just one day before it submitted its memorial to the arbitral tribunal. In Beijing’s view, this demonstrated that the Philippines’ true intentions were to “cover up its illegal occupation” through “political provocations” and “abusing international legal means.” Responding to critical statements by the U.S. State Department, Beijing urged the United States not to take sides on matters of territorial sovereignty and instead to “respect facts, stop making irresponsible remarks, and cease to encourage the provocative and risky actions of” its ally.¹³⁵ China’s chargé d’affaires in the Philippines also announced to the press that Manila had “seriously damaged bilateral relations” with Beijing. China then sent the Philippines a 12-page position paper on its legal claims and rejection of the arbitration proceedings.¹³⁶

A senior U.S. State Department official gave an authoritative description of Washington’s position and involvement on April 3. During Senate testimony, Assistant Secretary Daniel Russel criticized China’s “intimidating steps” in deploying large numbers of coast guard vessels to the shoal and making “efforts to interfere with and interdict the routine resupply of the small garrison at that outpost.” Without “treading on the treacherous ground of answering a hypothetical question,”

133. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on April 1, 2014” (press conference, Ministry of Foreign Affairs, Beijing, April 1, 2014).

134. Harf, “Daily Press Briefing” (March 31, 2014); De Castro and Ng, “Philippine Ship Dodges China Blockade.”

135. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on March 31, 2014” (press conference, Ministry of Foreign Affairs, Beijing, March 31, 2014). See also Hong Lei, “Foreign Ministry Spokesperson Regular Press Conference on April 1, 2014.”

136. “China Says Ties ‘Damaged’ by Philippines UN Ruling Call,” *Rappler*, April 1, 2014; Paterno Esmaguél, “PH on China: Judge Us by Actions, Not Words,” *Rappler*, April 4, 2014.

Russel stated that President Obama was “firmly committed to honoring our defense commitments to our allies” and had recently communicated U.S. resolve to the Chinese leadership. He acknowledged that Manila’s submission of its memorial to the arbitral tribunal “is perhaps the proximate reason why the Chinese are expressing the anger and discontent on the sea,” but he hoped the “net effect of the Philippine filing and the tribunal will be to encourage China to clarify its own claims in ways that are consistent with international law and remove the ambiguity that is destabilizing in our view.”¹³⁷ Secretary of Defense Chuck Hagel’s visit to China in early April also seems to have included tense discussions on Second Thomas Shoal and the Philippines’ arbitration case.¹³⁸

Chinese commentators expanded on Beijing’s official position in the following days and weeks. While nonauthoritative, the arguments of Chinese military academics and foreign affairs specialists—many of whom are official “external propaganda experts” authorized by state organs—do provide insight into how Beijing’s actions (and inaction) were justified to its domestic audience.¹³⁹ On March 31, experts from the PLA Academy of Military Sciences and Chinese Academy of Social Sciences accused Manila of “looting a burning house” by staging the supply mission while China was busy helping the international community search for the missing Malaysia Airlines Flight MH370.¹⁴⁰ In April, other maritime specialists sought to explain away China’s failure to stop the Philippine supply ship. One argued that by “sensationalizing the issue” and holding foreign reporters as “hostages,” Manila had compelled Beijing to “choose among two dilemmas.” If the coast guard had used force, then the Philippines would secure a public relations victory. Alternatively, if China did not intervene, Manila could claim it enjoyed effective control over the shoal. Another international legal expert cast Manila as hoping to “entrap” China into taking actions it could report to the arbitral tribunal.¹⁴¹ Still others claimed Chinese forces had the ability to use force and prevail, but Beijing showed restraint due to its “humanitarian” outlook. Finally, some PLA scholars and retired officials assessed that despite its alleged objective of containing China, the United States would not risk an armed conflict with Beijing over the Philippines’ narrow interest in Second Thomas Shoal.¹⁴²

137. U.S. Senate Committee on Foreign Relations, Subcommittee on East Asian and Pacific Affairs, “Evaluating U.S. Policy on Taiwan on the 35th Anniversary of the Taiwan Relations Act,” video transcript, 00:54:15.

138. See U.S. Department of Defense, “Joint Press Conference with Secretary Hagel and Minister Chang in Beijing, China,” press release, April 8, 2014; Helene Cooper, “Hagel Spars with Chinese over Islands and Security,” *New York Times*, April 8, 2014; Phil Stewart, “U.S. Defense Chief Gets Earful as China Visit Exposes Tensions,” Reuters, April 8, 2014; Guo Renjie, “PLA Officials Get Tough on U.S. Secretary of Defense,” *People’s Liberation Army Daily*, April 9, 2014; “China’s Maritime Space Being Carved Up: Official,” Xinhua, April 12, 2014.

139. Andrew Chubb, “Propaganda, Not Policy: Explaining the PLA’s ‘Hawkish Faction’ (Part One),” *China Brief* 13, no. 15 (July 25, 2013).

140. “(Senior Colonel: Philippines Takes Advantage of China Searching for Passenger Plane),” CCTV; see also “China Continues MH370 Hunt,” Xinhua, April 4, 2014; “Chinese Patrol Ship Intensifies Efforts to Detect MH370 Black Box,” Xinhua, April 4, 2014.

141. “(Ye Hailin: Philippines’ Resupply of Beached Ship Intended to Boost Publicity for Arbitration),” CCTV 4.

142. “(Why Is the Philippines Stirring up Second Thomas Shoal Again?),” Southeast Television. See also “Philippines Beguiled by Its Own Wishful Thinking,” *People’s Liberation Army Daily*, April 4, 2014.

Phase V: Beijing Maintains Patrols but Ends Harassment

After March 2014, there have been no further reports of specific coercive actions such as blocking the path of Philippine supply ships.¹⁴³ By April 5, the Western Command and Naval Forces West had reduced their threat level to “white alert,” meaning all normal. Two China Coast Guard ships remained in the vicinity of the shoal but only conducted “routine monitoring.”¹⁴⁴

The Philippines organized another media trip to Second Thomas in late April. Journalists from CNN, BBC, and the Australian Broadcasting Corporation were invited to join a voyage led by the Kalayaan mayor. The M/V *Queen Seagull* spent seven days touring Philippine outposts in the Spratlys before arriving at Second Thomas Shoal on May 2. The Philippine vessel approached the reef from the northwest under the cover of darkness because the captain believed the Chinese coast guard would expect them to come from the southwest. The Philippine crew had been ordered to try to “outmaneuver the Chinese” unless they felt “in danger of being rammed.” Indeed, two China Coast Guard ships steamed toward the vessel, but they arrived after the Philippine vessel had already navigated the shallow coral rim into the lagoon. Three more Chinese ships arrived in the vicinity, coming as close as 200 yards.¹⁴⁵

Supplies were airdropped to the *Sierra Madre* the next day. In a carefully coordinated operation, Western journalists observed the airdrop from the sea while Filipino media watched from the air. The marines aboard the *Sierra Madre* claimed this small Philippine Navy utility plane was shadowed by a Chinese aircraft, but they seem to have mistaken a Philippine Air Force escort for a PLA aircraft. While it was in the area, this second Philippine aircraft observed three additional Chinese government ships.¹⁴⁶ In addition to food and water, the airdrop also included letters of encouragement from Filipino students. According to General Bautista and Lieutenant General Deveraturda, this operation took weeks of planning and was meant to boost the morale of the troops and “promote awareness” among the public about the situation at Second Thomas Shoal.¹⁴⁷ Despite their success, military officials expressed concern that China might be more aggressive during the next sea-based resupply operation.¹⁴⁸

143. The only exception is one unconfirmed account from August 2014, when a vessel contracted by the Kalayaan municipality reported that the CCG 3111 had stopped 20 to 30 yards in front of it in an apparent attempt to block its path. The Philippine vessel was then apparently able to enter the shoal without further harassment. “Chinese Coast Guard Harass Kalayaan Municipal Officers,” *ABS-CBN News*.

144. Nikko Dizon, “AFP: Normal Monitoring, No New Standoff ay Ayungin Shoal,” *Philippine Daily Inquirer*, April 5, 2014.

145. Foreign reporters only photographed two of these ships: the CCG 3111, a 262-foot *Shuke III*-class patrol ship, and the *Xiang Yang Hong 10*, a 305-foot oceanographic research vessel operated by China’s State Oceanic Administration. Campbell, “Reef Madness”; Etzler, “Wrecks, Rats, and Roaches”; Wingfield-Hayes, “China’s Island Factory.”

146. The Philippine military later identified them as CCG 3102 (a 240-foot *Zhaoming*-class patrol ship), a 338-foot *Jianghu V*-class PLA Navy frigate, and an “unmarked white ship.” Jaime Laude, “Five Chinese Vessels Deployed near Shoal,” *Philippine Star*, May 4, 2014; Carmela Fonbuena, “PH Navy Airdrops Supplies for Ayungin Troops,” *Rappler*, May 3, 2014; Laude, “Special Delivery: Chicken Joy for Ayungin Troops”; Etzler, “Wrecks, Rats, and Roaches.”

147. Fonbuena, “PH Navy Airdrops Supplies for Ayungin Troops”; “AFP Airdrops Supplies, Letters to Troops on Ayungin,” *GMA News*, May 3, 2014.

148. Carmela Fonbuena, “Troops Fear ‘Miscalculation’ in Next Mission to Ayungin,” *Rappler*, May 28, 2014.

Second Thomas Shoal attracted regional attention in May, beginning with the 24th ASEAN Summit in Myanmar on May 11. President Aquino updated his counterparts on the Philippines' case before the arbitral tribunal. Aquino claimed that he found support from Vietnam and others at the meeting, which took place just after the Chinese placed an oil rig near the Paracel Islands.¹⁴⁹ On May 31, Secretary Hagel raised these issues and Chinese land reclamation at the 2014 Shangri-La Dialogue in Singapore. Japanese prime minister Shinzo Abe and the Philippine president also discussed Second Thomas Shoal later in June during a dialogue on Chinese activities in the East and South China Seas.¹⁵⁰

In August, the new Philippine military chief of staff announced that he would promote Philippine cruise ship tours to the Spratlys, including Second Thomas Shoal, and consider visiting the *Sierra Madre* himself. At least four China Coast Guard vessels kept up a constant presence around Second Thomas at this time. Aware of this reality, Manila noted it sought "to outsmart the Chinese" by reporting on supply missions only after their completion.¹⁵¹ In response to China's land reclamation activities in the Spratlys, Secretary del Rosario also called for all parties to halt reclamation, construction, and other coercive behavior. Secretary Gazmin then announced a halt to all construction on Philippine-held features in the Spratlys later that year. Yet despite this public commitment, Philippine Navy officials have stated that in late 2014 Manila began shipping "light construction materials" such as "cement, settle, cabling, and welding equipment" to the *Sierra Madre* "using wooden fishing boats and other small craft," perhaps relying on the active assistance of civilian Filipino fishermen.¹⁵²

Gazmin confirmed in October that the Philippines had "access" to Second Thomas Shoal and that the two most recent supply missions "were not bothered by China." In December before the Philippine Senate Committee on Foreign Relations, he cited the deterrent effect of the new U.S.-Philippines Enhanced Defense Cooperation Agreement inked in April as the reason why Beijing ceased its harassment. The chairman and vice chairman of the Senate Committee on Foreign Relations disagreed, alternatively citing the "bravery" of the Philippines' own troops. Other Philippine officials argued China had stopped because it was fully occupied with its land reclamation activities in the Spratlys. One Filipino journalist also noted that the last two operations had been conducted with less fanfare than those in March and May.¹⁵³

149. T. J. Burgonio, "China Tops ASEAN Agenda," *Philippine Daily Inquirer*, May 11, 2014; Kimberly Jane Tan, "PNoy: ASEAN Concerned over 'Dangerous Brinkmanship' in South China Sea," *GMA News*, May 12, 2014; "Manila Protests Chinese Construction on PHL-Claimed Mabini Reef," *Balita Filipino News*, May 15, 2014.

150. Chuck Hagel, "IISS Shangri-La Dialogue" (speech, Singapore, May 31, 2014); Kimberly Jane Tan, "PNoy, Abe Discuss China's Aggression in Tokyo," *GMA News*, June 24, 2014.

151. "AFP Wants Cruise Ship Tours to Spratly Islands," *GMA News*, August 14, 2014; Carmela Fonbuena, "The Question AFP's Catapang Won't Answer," *Rappler*, August 17, 2014.

152. Gazmin also declared that another planned media trip to Second Thomas had been postponed indefinitely. Amy Sawitta Lefevre and Trinna Leong, "Southeast Asian Nations Back Halt to Land Reclamation in South China Sea," Reuters, August 4, 2015; "Philippines Halts Work in Disputed South China Sea," Reuters, October 3, 2014; Mogato, "Exclusive: Philippines Reinforcing Rusting Ship on Spratly Reef Outpost"; Carla Gamboa, "China Tells PHL to Stop Repair, Tow Away BRP *Sierra Madre*," *Philippine Pride*, July 15, 2015.

153. Matikas Santos, "Gazmin: Chinese Ships Haven't Bothered PH Troops at Ayungin Shoal," *Global Nation Inquirer*, October 3, 2014; Rochelle Dinglasan, "China Stopped Harassing PHL Ships after EDCA Signing—Gazmin," *GMA News*,

The Philippines conducted another supply mission by sea in March 2015. Filipino media reported that two China Coast Guard vessels flanked the Philippine supply ship as it approached the shoal, while blaring their sirens and steering close in an apparent attempt to intimidate the Philippine crew. However, the coast guard ships “made no move to block the Filipinos’ path” and pulled away once they reached the shallow waters of the coral reef.¹⁵⁴ Nevertheless, Manila grew increasingly worried about Chinese land reclamation at Mischief Reef, only a few miles away from Second Thomas.¹⁵⁵ A military spokesperson said the Philippines felt that resupplying the *Sierra Madre* was “becoming increasingly . . . difficult,” even though Chinese forces had not recently committed any “hostile acts.” Secretary Gazmin stated the Philippines was still studying how to get provisions to its outposts in Spratlys under Chinese pressure. Manila also announced updated plans to turn its outposts into tourist destinations.¹⁵⁶

The Philippines observed one China Coast Guard vessel “acting rather differently” at Second Thomas Shoal in May 2015. It took up a stationary position five nautical miles away rather than circling the shoal as usual and did not move for 19 days, until another cutter replaced it. The ship appeared to be guarding a Chinese civilian trawler that had entered the lagoon and that on May 28 was photographed harvesting endangered giant clams. The Philippine defense department questioned whether the crew were “actually civilians.” Security experts worried it might be the start of a Chinese move to occupy the reef, but no such action occurred.¹⁵⁷

In June 2015, a “special unit of the Philippine Navy” replaced the marine detachment aboard the *Sierra Madre*.¹⁵⁸ Sources eventually revealed that it was actually a team of “demolition experts” tasked with renovating the dilapidated warship. Using materials amassed since late 2014, the soldiers “quietly” reinforced the hull and deck, laid concrete foundations, and improved the living quarters. Military officers said they would finish construction by the end of 2015.¹⁵⁹ When this became public on July 13, the Department of Foreign Affairs again emphasized Manila’s view about the distinction between repairs and construction of new structures. One military spokesperson characterized the activities as “minor repairs” aimed at ensuring a “minimum survivable condition,” while another argued that “any vessel at sea [like the *Sierra Madre*] can conduct repairs on their own.” The Western Command chief again rejected the term “construction” by saying the

December 1, 2014; Carmela Fonbuena, “China to Finish Construction of Airstrip in West PH Sea This Year,” *Rappler*, January 8, 2015; Ellen Tordesillas, “Duterte Eyes Gilbert Teodoro,” *EllenTordesillas.com*, December 2, 2014.

154. Chiara Zambrano, “Chinese Ships Try to Block Navy Supply Vessel Anew,” *ABS-CBN News*, March 10, 2015.

155. Nikko Dizon, “PH Losing about 60 Hectares to China’s Land Grabbing,” *Philippine Daily Inquirer*, March 15, 2015; Tessa Jamadre, “China’s Latest Expansion to Deny PH Access to Ayungin Shoal,” *Vera Files*, March 15, 2015; Jaime Sinapit, “China Driving Fishers out of Panatag, Blocking Supplies to Ayungin—AFP Chief Catapang,” *InterAkyson*, April 20, 2015; Frances Mangosing, “AFP Chief to China: Stop Reclamation Works in South China Sea,” *Global Nation Inquirer*, April 20, 2015.

156. Trisha Macas, “Resupply Missions to Ayungin Getting Tougher Because of Chinese Ships,” *GMA News*, March 25, 2015; “PHL to Turn Disputed Sea Outcrops into Tourist Draws,” *GMA News*, May 11, 2015.

157. This was the 256-foot *Shuke II*-class CCG 3175. “China Coast Guard Playing Defense in Ayungin Shoal?,” *YouTube* video, posted by “ABS-CBN News,” June 18, 2015.

158. Jaime Laude, “AFP Deploys Navy Troops to Ayungin Shoal,” *Philippine Star*, June 22, 2015.

159. Mogato, “Exclusive: Philippines Reinforcing Rusting Ship on Spratly Reef Outpost.”

Philippines was not “creating something new,” but just “sustaining” and “maintaining” an existing outpost.¹⁶⁰ Other Filipino media reports carried an apparently false claim that Manila planned to build a helipad on the warship’s bow.¹⁶¹ The Chinese Ministry of Foreign Affairs quickly criticized Manila’s activities, accusing it of “hypocrisy and duplicity.” A spokesperson warned that “China reserves the right to take further actions,” yet Beijing took no steps to disrupt the Philippines’ consolidation efforts.¹⁶²

The United States and the Philippines held alliance consultations that included discussions of Second Thomas Shoal later that summer. On July 18, 2015, the U.S. Pacific Fleet commander visited Manila but declined to comment on hypothetical questions about U.S. treaty commitments, leaving them to the “State Department and the Department of Justice.” The Pacific Command chief, Admiral Harry Harris, also traveled to the Philippines in late August. Manila explicitly requested that U.S. reconnaissance aircraft “watch over our ships” during resupply missions on a regular basis, because “if there are Americans flying around there, we won’t be troubled.” Secretary Gazmin stated that Harris had “assured him of U.S. readiness to provide assistance,” but the admiral made no specific commitment to deploy U.S. aircraft or vessels.¹⁶³

The next year, reports surfaced in March 2016 that China Coast Guard vessels had been blocking Filipino fishermen’s access to Jackson Atoll, an unoccupied reef in the eastern Spratlys. Beijing confirmed this story, but explained that a Filipino fishing vessel had been grounded and abandoned on the atoll. Chinese officials argued that its rescue and salvage bureau was forced to send salvage ships to tug the grounded boat away, during which it temporarily urged foreign fishing boats to stay away. Manila corroborated some of these details and noted that “there are no indications China will build structures or develop it into an island.”¹⁶⁴ Several Chinese foreign affairs experts lauded Beijing for towing the vessel away immediately and so “foil[ing] a trap” similar to the Philippines’ 1999 grounding of the *Sierra Madre* at Second Thomas.¹⁶⁵

Most recently, on May 23, 2016, footage was published of a British reporter traveling aboard a Philippine supply vessel carrying food and water supplies to Second Thomas Shoal. As it approached, a China Coast Guard cutter steamed to intercept them but made no moves to block the Filipinos’ path and turned around after reaching shallow water. On June 5, in an apparent

160. “PHL Navy: Repairs to Ship on Ayungin Shoal for Personnel Safety,” *GMA News*, July 14, 2015; “DND Twits China,” *GMA News*.

161. See Dario Agnote, “PH to Build Helipad on Rusting Ship on Ayungin Shoal,” *Kyodo News*, July 15, 2015; Alexis Romero, “DND: Chinese Gov’t Confused, Twisting the Truth,” *Philippine Star*, July 16, 2015.

162. Hua Chunying, “Foreign Ministry Spokesperson Hua Chunying’s Remarks on the Philippines Reinforcing a Military Vessel Illegally ‘Grounded’ on China’s Ren’ai Jiao” (press conference, Ministry of Foreign Affairs, Beijing, July 15, 2015).

163. Ellen T. Tordesillas, “U.S. Commander Defends Military Activities inside EEZs,” *ABS-CBN News*, July 21, 2015; “PHL Seeks ‘Real-Time’ U.S. Help in Disputed South China Sea,” *GMA News*, August 27, 2015; Gomez, “Philippines Seeks U.S. Help to Protect Troops in Disputed Sea.”

164. “South China Sea: Chinese Ships Blocking Access to Disputed Atoll, Philippine Officials Say,” Australian Broadcasting Corporation, March 2, 2016; Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on March 2, 2016” (press conference, Ministry of Foreign Affairs, Beijing, March 2, 2016); Manuel Mogato, “Philippine Officials Say China Blocked Access to Disputed South China Sea Atoll,” *Reuters*, March 2, 2016.

165. Li Xiaokun, “Foreign Boat Cleared from Chinese Reef,” *China Daily*, March 3, 2016.

diplomatic overture from Beijing, a Filipino security expert then asserted that the navy had been allowed to “conduct patrols” near Second Thomas Shoal “without harassment from the China Coast Guard” since the May election of a new Philippine president, Rodrigo Duterte.¹⁶⁶

Conclusions

First, despite concerns about the Philippines’ ability to resupply its forces on Second Thomas Shoal, Chinese actions fell short of a blockade. Since 2013, China has maintained coast guard and other vessels near the reef and has intercepted Philippine supply ships on several occasions. In March 2014, Chinese vessels twice conducted harassment operations but did not resort to force by using tactics such as ramming or firing water cannons.

Second, U.S. and Philippine actions may have helped to deter China from further escalation. Manila’s willingness to reattempt a supply mission was a clear demonstration that the Philippines was willing to accept risk to maintain its presence at Second Thomas. Given its limited interests in other countries’ territorial disputes, Washington is unlikely to shoulder risk if its allies do not to take the lead. In this case, the U.S. military was not directly involved in resupplying the *Sierra Madre*, but the United States sent an unarmed reconnaissance aircraft in an overwatch capacity. In so doing, the United States signaled that it was monitoring Chinese actions closely, particularly since U.S. reconnaissance flights over Second Thomas Shoal were by then a common occurrence. The presence of a U.S. assets at a decisive moment may have communicated the potential for direct intervention to Beijing, given earlier diplomatic warnings sent by Washington.

Third, the presence of journalists during resupply efforts raised the reputational stakes for both sides. In March 2014, a strategy that counted on the deterrent effect of public pressure appeared to work in Manila’s favor. The costs to Beijing of using force against a civilian vessel carrying foreign reporters would have been high. Yet, making the Chinese government lose face could also have backfired. Transparency increases reputation costs, including the domestic costs of inaction. Facing nationalist backlash after the encounter, Chinese experts spent as much time defending Beijing’s failure to stop Manila as they did justifying its initial assertiveness. When challenged publicly, China’s concern about its reputation for resolve has been substantial.

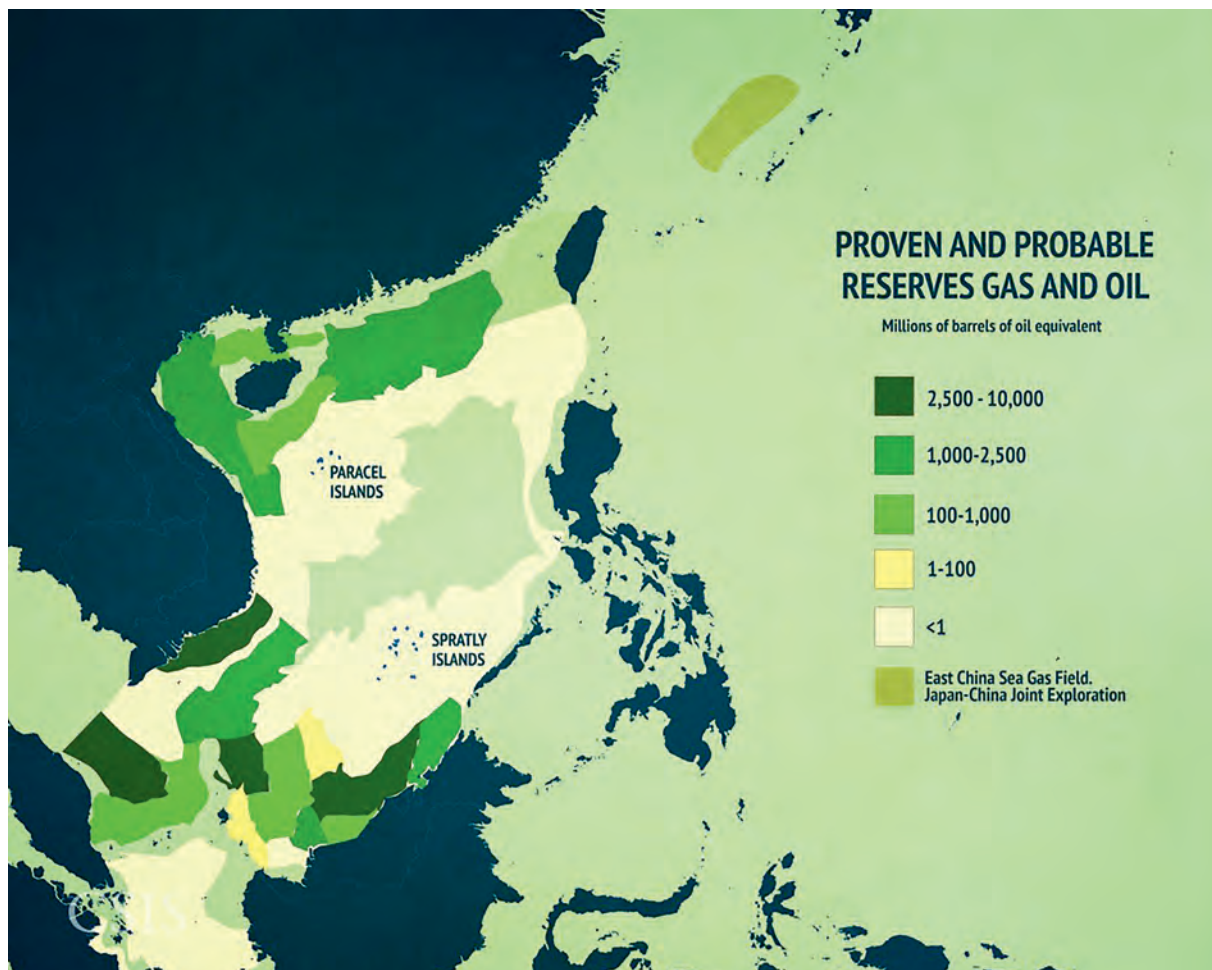
Fourth, divergent perceptions of the status quo contributed to insecurity. Identifying the status quo in territorial disputes is not a simple task. Claimants will evaluate elements of the status quo differently as actions that appear typical or defensive to one party may be seen by others as atypical or aggressive. China and the Philippines maintain conflicting narratives on the status quo at Second Thomas Shoal. Beijing claims Manila promised to withdraw the *Sierra Madre* prior to the signing of the 2002 China-ASEAN Declaration, so its recent actions to reinforce its “permanent installation” are revisionist. Alternatively, Manila has defended its activities as mere “repairs” or “improvements” to a long-established outpost. The security impact of these divergent perceptions also featured prominently in the Senkaku crises, when Chinese and Japanese leaders both felt that the other party was attempting to alter the status quo.

166. It is unclear whether he was referring to normal civilian resupply operations or some other type of naval patrol. Minnie Chan, “China Eases off Philippine Fishing Boats in Overture to Incoming President Duterte,” *South China Morning Post*, June 5, 2016; Katie Stallard, “Exclusive: Unseen Battle for South China Sea,” *Sky News*, May 23, 2016.

Finally, China has demonstrated superior, if imperfect, maritime domain awareness capabilities in the Spratly Islands, particularly near Second Thomas Shoal. Chinese coast guard vessels sometimes arrived at the shoal within minutes or hours of Philippine missions there, and Chinese intelligence services apparently compromised Manila's secretive preparations for the March 29 mission. With its completion of large dual-use facilities in the Spratlys, China's asymmetric advantage over other claimants will likely grow, especially if the United States does not provide intelligence to regional states.

CASE 7: CHINA-VIETNAM OIL RIG STANDOFF (2014)

Figure 3.12. Hydrocarbon Deposits in the South China Sea



Overview

In May 2014, China moved an exploratory oil rig into disputed waters in the South China Sea. The drilling platform, known as HYSY 981, settled 17 miles from Chinese-held Triton Island in the Parcel Islands. This placed it well within an oil block that Vietnam already claimed, as well as on the Vietnamese side of a hypothetical median line between the two countries' continental shelves. Vietnam immediately deployed maritime law enforcement ships to disrupt the operation of the HYSY 981. In response, Beijing reinforced its handful of original escort ships with a large fleet of fishing boats, coast guard cutters, and eventually naval vessels. Hanoi maintained a presence in the area for the next two months despite China's substantial show of force and frequent collisions and ramming. Vietnamese workers and other groups staged large-scale protests as the standoff escalated. The demonstrations quickly ballooned into violent, indiscriminate riots that targeted Chinese factories across Vietnam. Although the HYSY 981 had been scheduled to continue drilling through August, Chinese leaders decide to relocate it one month early in July. Beijing claimed the rig had simply completed its mission. Many observers, however, saw the Chinese withdrawal as a result of Vietnam's risk acceptance at sea.

BOX 3.7. Background on the Paracel Islands Dispute

The Paracel Islands (also known as the Xisha Islands or Hoang Sa Islands) are a group of about 130 small coral islands and reefs in the northwest portion of the South China Sea. They are roughly equidistant from the coastlines of China and Vietnam, with a maritime area of roughly 6,000 square miles and a total land area of about three square miles. The Paracels includes two main clusters: the Crescent Group centered on Pattle Island in the southwest and the Amphitrite Group centered on Woody Island in the northeast.¹ The archipelago is claimed by Vietnam and Taiwan but wholly occupied and controlled by China.

Although the region includes valuable fishing grounds, there are no proven or probable oil or natural gas reserves in the Paracels. The U.S. Energy Information Administration estimates that the whole South China Sea contains approximately 11 billion barrels of oil and 190 trillion cubic feet of natural gas in proven and probable reserves. Estimates by the Chinese National Offshore Oil Corporation are many times higher. However, geological evidence suggests dim prospects for oil and gas extraction in the Paracels. The vast majority of hydrocarbons in the South China Sea instead lie in shallow waters near the coast (Figure 3.12).²

China claims to have discovered and named the islands as early as the Han Dynasty (206 BCE–220 CE). Beijing typically cites historical evidence of Chinese fishermen using the islands for fisheries production and navigation, as well as the Paracels' inclusion in administrative maps and other official documents in premodern times. Vietnam, on the other hand, argues that there is clear evidence of Vietnamese state authorities establishing effective jurisdiction over the Paracels between the fifteenth and eighteenth centuries. According to its foreign ministry, Vietnam made a formal act of annexation in 1816. As Vietnam's successor state following its 1858–1887 colonization of Indochina, France then asserted sovereignty over the Paracels for decades. Paris eventually stationed troops on Pattle and Woody Island on the eve of World War II, which saw Japan forcibly occupy both the Paracel and Spratly Islands.³

Tokyo's surrender in 1945 left French-Vietnamese troops in control of the Crescent Group and Republic of China forces in control of the Amphitrite Group. The People's Republic of China took over the Chinese garrison in 1950, and South Vietnam quickly came to control the Vietnamese side of the island group.⁴ For the next 25 years, as a war measure North Vietnam avoided challenging its Chinese ally's maritime claims. Shortly after the United States withdrew from Vietnam, China completed its occupation of the entire archipelago in the 1974 Battle of the Paracel Islands. The alliance between Beijing and Hanoi quickly dissolved following South Vietnam's defeat. The new Socialist Republic of Vietnam renewed Vietnamese claims to the Paracel and Spratly Islands in 1975.⁵ China initiated a brief, indecisive border war with Vietnam in early 1979 that led to tens of thousands of casualties on each side. Sporadic fighting continued in the 1980s, including a brief naval battle in the Spratlys in 1988.⁶

The end of the Cold War, the Soviet Union's dissolution, and China's international isolation following the Tiananmen Square massacre encouraged Vietnam and China to reestablish relations in 1991. The two countries signed a Land Border Treaty in 1999 and an Agreement on the Delimitation of the Tonkin Gulf in 2000.⁷ Since 1996, Vietnam has cooperated with foreign oil and gas corporations to

(continued)

BOX 3.7. (Continued)

conduct exploratory surveys and drilling in its claimed exclusive economic zone. In 1996 and 1998, China also drew straight territorial baselines around the entire Paracel archipelago, on the basis of which it also claimed an exclusive economic zone and continental shelf.⁸ After years of prolonged negotiations, in 2002 China, Vietnam, and the rest of the Association of Southeast Asian Nations signed the Declaration on the Conduct of Parties in the South China Sea. Beijing and Hanoi quickly agreed to a number of bilateral measures, including regular joint patrols, a joint fisheries survey, joint hydrocarbon exploration between PetroVietnam and the Chinese National Offshore Oil Corporation, and a commitment to start negotiations for maritime delimitation south of the Gulf of Tonkin.⁹

Beijing began exploring the hydrocarbon potential around the Paracels in 2003. In 2006, Vietnamese law enforcement vessels “took preventive measures” to confront Chinese seismic survey ships near Triton Island (also known as Zhongjian Island), the Paracels’ southernmost land feature.¹⁰ In 2007, Hanoi sent 30 naval auxiliary ships to disrupt a China National Petroleum Corporation seismic survey west of the Paracels. Vietnamese ships allegedly rammed the Chinese survey ship. China Marine Surveillance forces were forced to establish a protective cordon around their hydrographic vessel and ram the Vietnamese ships, which included both “shouldering” and head-on collisions.¹¹ In 2008, Vietnamese opposition forced a Swiss offshore drilling company to cancel a Paracels contract with China. In return, China pressured British Petroleum into canceling another project off the coast of southern Vietnam in 2009.¹²

In 2010, Chinese authorities detained some 25 Vietnamese fishermen near the Paracels. Vietnamese vessels likewise surrounded a Chinese Fisheries Law Enforcement Command ship patrolling disputed waters and also confronted a Chinese survey team 100 miles east of Vietnam’s Ly Son Island. In 2011, large anti-China protests erupted in Vietnam after reports that Chinese fishermen had deliberately cut the cables of a Vietnamese seismic ship. Vietnamese ships also challenged another Chinese research vessel operating 28 nautical miles west of Triton Island.¹³ Despite these tensions, near the end of 2011 the two countries signed an Agreement to Guide Settlement of Maritime Issues. They held two rounds of preliminary talks in 2012.¹⁴

In May 2012, China National Offshore Oil Corporation launched a massive deep-water drilling rig, the \$1 billion *Haiyang Shiyou* 981 (HYSY 981, also referred to as HD 981 by Vietnam). This marked the first exploration of its kind in the South China Sea, with Beijing drilling as deep as 10,000 feet without the aid of foreign companies. The corporate chairman stated that he viewed these rigs as “mobile national territory” and a “strategic weapon.”¹⁵ The next month, Hanoi passed legislation reiterating Vietnam’s claims to the Paracel and Spratly Islands. Shortly after, the Chinese State Council established Sansha City on Woody Island as a prefectural-level city with administrative jurisdiction over the Spratly, Paracel, and the Zhongsha Islands (Macclesfield Bank and Scarborough Shoal).¹⁶ China National Offshore Oil Corporation also announced that it would open nine new oil and gas blocks along the western fringe of China’s Nine-Dash Line for joint operation with foreign companies. All nine overlapped existing Vietnamese blocks already leased to ExxonMobil and Gazprom.¹⁷ Beijing again conducted seismic surveys near the Paracels from May to June 2013. In December, ExxonMobil and the Vietnam Oil and Gas Group announced plans to build a \$20 billion power plant in central Vietnam using a major natural gas discovery in areas leased by

Hanoi. Other major foreign companies with a large stake in Vietnam's offshore production include Chevron, Perenco, ConocoPhillips, India's ONGC Videsh Limited, Russia's Gazprom, and Italy's Eni.¹⁸

1. "East and Southeast Asia: Paracel Islands," in Central Intelligence Agency, *The World Factbook*, last updated September 13, 2016.
2. U.S. Energy Information Administration (hereafter U.S. EIA), "South China Sea," February 7, 2013.
3. Raul Pedrozo, *China versus Vietnam: An Analysis of the Competing Claims in the South China Sea* (Arlington, VA: CNA Corporation, 2014), 5–19, 40–48, 64, 108–109.
4. *Ibid.*, 49; M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia* 33, no. 3 (2011): 292–319; Min Gyo Koo, "The Island and Maritime Disputes in the South China Sea," in *Island Disputes and Maritime Regime Building in East Asia: Between a Rock and a Hard Place* (New York: Springer, 2009), 137–140.
5. Tong Hum Kang, "Vietnam and the Spratly Islands Dispute since 1992" (master's thesis, Naval Postgraduate School, 2000), 18; Lo Chi-kin, *China's Policy toward Territorial Disputes: The Case of the South China Sea Islands* (London: Routledge, 1989), 86–98; Pedrozo, *China versus Vietnam*, 56.
6. David Gompert, Hans Binnendijk and Bonny Lin, "China's Punitive War against Vietnam, 1979," in *Blinders, Blunders, and Wars* (Santa Monica, CA: RAND Corporation, 2014), 117–127; Terry McCarthy, "A Nervous China Invades Vietnam," *Time Magazine*, September 1999; Ramses Amer, "Vietnam and Its Neighbors: The Border Dispute Dimension," *Contemporary Southeast Asia* 17, no. 3 (1995): 298–318; Chang Poa-Min, "A New Scramble for the South China Sea Islands," *Contemporary Southeast Asia* 12, no. 1 (1990): 25–26.
7. Eric Hyer, "The South China Sea Disputes: Implications of China's Earlier Territorial Settlements," *Pacific Affairs* 68, no. 1 (1995): 34–54; Ramses Amer and Li Jianwei, "How to Manage China-Vietnam Territorial Disputes," *China-U.S. Focus*, April 18, 2013; Wu Shicun, *Solving Disputes for Regional Cooperation and Development in the South China: A Chinese Perspective* (Oxford: Chandos Publishing, 2013), 117.
8. Socialist Republic of Vietnam, Ministry of Foreign Affairs (hereafter Vietnamese MFA), "Contents of the International Press Conference on Developments in the East Sea" (press conference, Hanoi, June 16, 2014); Edward Wong, "Q&A: M. Taylor Fravel on China's Dispute with Vietnam," *New York Times*, May 8, 2014.
9. Ian Storey, "Conflict in the South China Sea: China's Relations with Vietnam and the Philippines," *Japan Focus*, April 30, 2008.
10. Vietnamese MFA, "Contents of the International Press Conference" (June 16, 2014).
11. See Ryan D. Martinson, "Power to the Provinces: The Devolution of China's Maritime Rights Protection," *China Brief* 14, no. 17 (September 10, 2014); Scott Bentley, "Vietnam and China: A Dangerous Incident," *Diplomat*, February 12, 2014; "央视首次曝光中国海监船南海撞击越南船只画面" (CCTV Reveals Pictures for the First Time of a China Marine Surveillance Vessel Striking Vietnamese Ships in the South China Sea), *NetEase*, January 4, 2014.
12. Vietnamese MFA, "Contents of the International Press Conference" (June 16, 2014); "FN Spokesperson Explains BP's Withdrawal," *Voice of Vietnam*, March 22, 2009.
13. Wong, "Q&A: M. Taylor Fravel"; Vietnamese MFA, "Contents of the International Press Conference" (June 16, 2014); Nga Pham, "Vietnam's Anger over China Maritime Moves," *BBC News*, June 6, 2011.
14. "China-Vietnam Agreement to Guide Settlement of Maritime Issues," *Xinhua*, October 12, 2011; Amer and Li, "How to Manage China-Vietnam Territorial Disputes."
15. The rig is operated by a subsidiary company, China Oilfield Services Limited. "Haiyang Shiyou 981 Oil Rig Deployed to Seas off Myanmar," *Wanted China Times*, March 7, 2015; "China Begins Deep-Water Drilling in South China Sea," *Xinhua*, May 9, 2014; Zach Dubel, "Regional Implications for China's Newest Oil Rig," *Stimson Center*, July 2, 2012; "China Moves Illegal Oil Rig out of Vietnam's Waters after Oil Exploration," *Tuoi Tre News*, July 16, 2014.
16. "Law of the Sea of Vietnam," *Vietnam Law and Legal Forum*, July 8, 2012; Jane Perlez, "Vietnam Law on Contested Islands Draws China's Ire," *New York Times*, June 21, 2015.
17. Gregory B. Poling, *The South China Sea in Focus: Clarifying the Limits of Maritime Dispute* (Washington, DC: Center for Strategic and International Studies, 2013), 23–24; Ben Bland and Gwen Robinson, "China-Vietnam Row Hits Energy Groups," *Financial Times*, June 27, 2013.
18. "China Requires Vietnam to Stop Any Form of Disruptions of Chinese Company's Operations," *Xinhua*, May 9, 2014; "Exxon Mobil Signs Power Plant Deal with PetroVietnam," *VietnamNet Bridge*, December 17, 2013; "Vietnam Protests China Rig Placement in Disputed Waters," *Bloomberg News*, May 2, 2014; U.S. EIA, "South China Sea."

Timeline

	China	Vietnam	United States
Phase I: Chinese rig enters disputed waters			
May 1	Rig and service ships travel toward Paracels		
May 2	Settle 17 nm off Triton		
Phase II: Hanoi dispatches vessels, leading to massive standoff			
May 2	Sends 40 reinforcements	Sends 6 vessels to disrupt	
May 7	Sends more ships, aircraft	Sends up to 29 vessels and threatens legal action	
May 8	Expands perimeter	Increases ramming	Rules out any intervention
Phase III: Protests spread across Vietnam as Beijing escalates at sea			
May 10	Expands perimeter again	Small protests begin	
May 13	Begins drilling	Riots target Chinese factories	Urges restraint
May 15		Threatens arbitration	
May 18	Evacuates citizens, suspends air travel	Clamps down on riots	
May 19	Defense ministers meet but make no breakthrough		
Phase IV: Rig towed east to new drilling site			
May 27	Moves 23 nm northeast		
Jun 18	Some vessels depart, rig retracts equipment		
	Senior leaders meet in Vietnam to discuss standoff		
Phase V: Withdraws a month early			
Jul 15	Departs one month early	Claims victory for Hanoi	

Incident Details

Phase I: Chinese Rig Enters Disputed Waters

On May 1, 2014, Vietnamese maritime authorities detected the presence of *Haiyang Shiyou 981* (HYSY 981) and three Chinese oil and gas service ships off the coast of Da Nang Province. The four-ship group was northwest of Triton Island in the Paracel Islands and moving south. By the afternoon of May 2, it had settled 17 nautical miles south of Triton.¹ The rig now straddled two oil and gas blocks Hanoi had previously demarcated but not yet offered to foreign companies. Petro-Vietnam general director Do Van Hau later stated that it was unknown whether any commercially viable oil deposits lie under the seabed in these two blocks. The water depth is 3,000 feet.² China's Maritime Safety Administration announced the same day that the rig would conduct exploratory drilling until August 15. Foreign vessels were prohibited from coming within one nm.³

The legality of this drilling activity is a highly complex question. Under the 1982 UN Convention on the Law of the Sea, both Vietnam and China have the legal right to claim a 350-nm extended continental shelf measured from their territorial baselines. The HYSY 981 was placed 120 nm east of Vietnam's Ly Son Island and 180 nm south of China's Hainan Island, both of which indisputably generate a continental shelf. This cramped local geography means that the rig was therefore well within the maximum hypothetical entitlements of both countries. In 2006, China lawfully opted out of the treaty's provisions for compulsory arbitration in the case of maritime delimitation.⁴ As a result, China and Vietnam's dispute over rights to exploit seabed resources in the region cannot be resolved except through bilateral negotiations or voluntary international adjudication.

As indicated by the white line in Figure 3.13, the HYSY 981 was operating on the Vietnamese side of a median line drawn between mainland Vietnam and China—one possible option for eventual delimitation. Yet any agreement between the two countries would also have to take into account the status of the Paracels Islands. Under Article 121 of the UN Convention on the Law of the Sea, islands that can “sustain human habitation or economic life of their own” are entitled to their own independent exclusive economic zones and continental shelves. It is possible (but not certain) that an arbitral tribunal would find that some of the Paracels' larger land features meet this test. As shown by the red area of the map in Figure 3.13, the location of the oil rig would fall on the Chinese side of a median line that gave the Paracels equal weight to mainland Vietnam for the purposes of maritime delimitation. It is

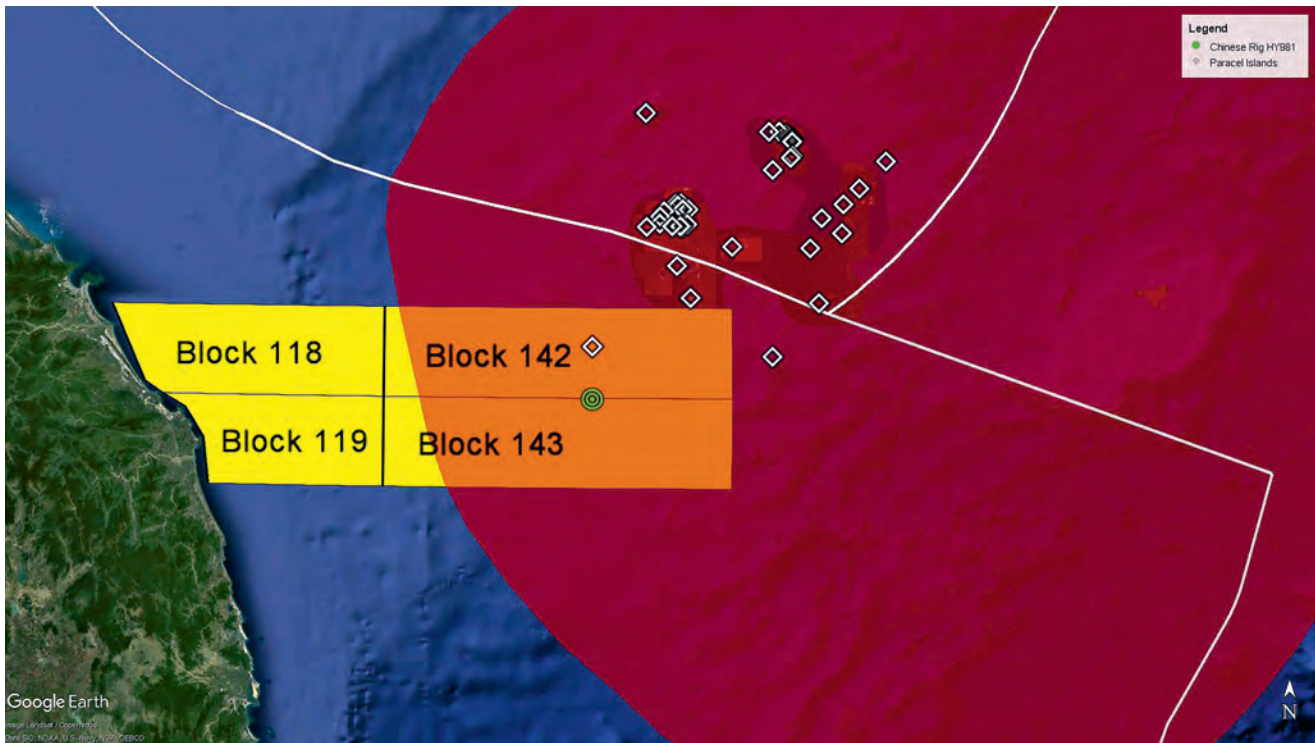
1. Socialist Republic of Vietnam, Ministry of Foreign Affairs (hereafter Vietnamese MFA), “Vietnam's International Press Conference on 7th May 2014” (press conference, Ministry of Foreign Affairs, Hanoi, May 7, 2014).

2. Ernest Z. Bower and Gregory B. Poling, “China-Vietnam Tensions High over Drilling Rig in Disputed Waters,” Center for Strategic and International Studies, May 7, 2014; “China Pushes Further into Vietnamese Waters,” *Thanh Nien News*, May 6, 2014; “Vietnam Pledges All Efforts to Protect Territorial Waters,” *Viet Nam News*, May 8, 2014; “Vietnam-China Oil Rig Flare Up Heightens Threat Perception in Region, Say Experts,” *Platts*, May 8, 2014.

3. The announcement was made in Navigation Notice 14033, released on the Maritime Safety Administration's website. See <http://bbs.sjtu.edu.cn/bbswaptcon,board,Military,reid,1399475438,file,M.1399516847.A.html>.

4. “United Nations Convention on the Law of the Sea,” December 10, 1982, art. 76; Bower and Poling, “China-Vietnam Tensions High”; Nong Hong, “Reconsidering the Role of Arbitration in the South China Sea,” *China-U.S. Focus*, February 18, 2016.

Figure 3.13. Location of the HYSY 981



Source: Ernest Z. Bower and Gregory B. Poling, "China-Vietnam Tensions High over Drilling Rig in Disputed Waters," Center for Strategic and International Studies, May 7, 2014.

highly unlikely Vietnam or an international court would award these tiny islands their maximum possible entitlements. Beijing and Hanoi's 2000 Gulf of Tonkin Maritime Boundary Agreement provides one possible precedent. This treaty gave Vietnam's Bach Long Vi and Con Co Islands 25 percent and 50 percent effect, respectively, in delimiting the two countries' continental shelves in the area.⁵ Applied to the Paracel Islands, such a formula might again put the HYSY 981 on the Chinese side of the line. Yet such an agreement would seem to be premised on Vietnam recognizing Chinese sovereignty over the Paracel Islands, which Vietnam itself claims and is unlikely to formally concede.

Phase II: Hanoi Dispatches Vessels, Leading to Massive Standoff

When China deployed HYSY 981 on May 1, it was initially accompanied by only three service ships. Upon detecting the oil rig, Vietnam Coast Guard and Fisheries Resources Surveillance forces were dispatched to demand the rig's withdrawal, perform "law enforcement duties," and assist Vietnamese fishermen in the area.⁶ By the next day, China logged a total of six Vietnamese vessels. According to Hanoi, the number of Chinese escorts also jumped to 40 ships, including China Coast

5. Isaac B. Kardon, "The Other Gulf of Tonkin Incident: China's Forgotten Maritime Compromise," Asia Maritime Transparency Initiative, October 21, 2015.

6. Vietnamese MFA, "Contents of the International Press Conference" (June 16, 2014).

Guard, China Marine Surveillance, Fisheries Law Enforcement Command, transportation, fishing, and possibly PLA Navy ships.⁷ This fleet seems to have arrived after Hanoi deployed its own vessels to intercept the HYSY 981.

When Vietnamese vessels arrived, Chinese authorities quickly arranged their forces in protective rings to head them off.⁸ A Vietnamese navy official later stated that Hanoi's objective was to prevent the HYSY 981 from "establishing a fixed position." One Vietnamese diplomat told reporters that the prospect of the rig entering Vietnamese-claimed waters had "been one of our worst fears" since its maiden voyage in 2012, even if "the timing caught us by surprise."⁹

Violent collisions occurred almost immediately upon the arrival of the forces. Beijing claimed that the Vietnamese deliberately rammed Chinese ships, with video showing a Vietnamese Fisheries Resources Surveillance Force vessel ramming two China Coast Guard ships. Hanoi charged Beijing with similarly aggressive acts, including head-on collisions that in one case resulted in a Vietnamese vessel suffering a 10-by-3-foot rupture along its hull and the destruction of its right engine. Photographs showed Chinese coast guard vessels and tugboats firing high-powered water cannons at Vietnamese vessels. These activities continued on May 3, with the Vietnamese force increasing to as many as 36 vessels.¹⁰ To better shield the \$1 billion rig, China officially expanded the radius of its defensive perimeter from one to three nautical miles on May 4. Beijing also restated its commitment to end the operation by August 15.¹¹

Beijing and Hanoi protested each other's actions through diplomatic channels. China summoned Vietnam's ambassador to China on May 2 and May 4, and also called the Vietnamese vice foreign minister on a maritime hotline established in 2011. Vietnam summoned China's chargé d'affaires and presented a note verbale. Vietnam's Ministry of Defense also communicated with China's military attaché in Hanoi. Meanwhile, the chairman of PetroVietnam contacted his Chinese counterpart at the China National Offshore Oil Corporation via letter.¹²

In these communications, Hanoi argued that the drilling rig and its escorts were violating international law by operating in Vietnam's exclusive economic zone and continental shelf. Hanoi also accused

7. "China Requires Vietnam to Stop Any Form of Disruptions of Chinese Company's Operations," Xinhua, May 9, 2014; Ngo Ngoc Thu, "The Situation on the Area with China's Illegal Drilling Rig HD981 within Vietnam's Waters" (press briefing, Ministry of Foreign Affairs, Hanoi, May 7, 2014).

8. Ngo Ngoc Thu, "The Situation on the Area."

9. Chris Brummit, "Vietnam Tries to Stop China Oil Rig Deployment," *USA Today*, May 7, 2014; Greg Torode and Charlie Zhu, "China's Oil Rig Move Leaves Vietnam, Others Looking Vulnerable," Reuters, May 8, 2014.

10. "China Requires Vietnam to Stop Any Form of Disruptions," Xinhua; "Video Shows 'Vietnamese Boat Ramming Chinese Ships' in Disputed Waters," *South China Morning Post*, June 14, 2014; Ngo Ngoc Thu, "The Situation on the Area"; "Trung Quốc huy động 80 tàu, máy bay quanh giàn khoan trái phép, đâm rạch tàu cảnh sát biển VN," *VT News*, May 7, 2014.

11. This second announcement was made in Navigation Notice 14034, released on the Maritime Safety Administration's website. See <http://bbs.sjtu.edu.cn/bbswaptcon,board,Military,reid,1399475438,file,M.1399516847.A.html>.

12. "China Urges Vietnam to Stop Disturbing Chinese Companies' Activities in Xisha Islands," Xinhua, May 7, 2014; Vietnamese MFA, "Vietnam's International Press Conference on 7th May 2014."

Beijing of violating the spirit of the 2002 Declaration on the Conduct of Parties, the 2011 China-Vietnam Agreement to Guide Settlement of Maritime Issues, and other high-level bilateral agreements. Hanoi demanded that Beijing respect its sovereignty, withdraw the rig, and settle their dispute through negotiation and other peaceful means. However, Vietnam still emphasized that it held “its friendship, cooperation and comprehensive strategic cooperative partnership with China in high esteem.” For its part, China maintained that the HYSY 981 was conducting “normal” oil and gas exploration in the “territorial waters” of Triton Island and the Paracels, which were “undisputed waters under the management of China.”¹³ Beijing asserted that Vietnam’s exclusive economic zone claims were thus irrelevant.

In a May 5 statement, a Vietnamese spokesperson protested China’s oil rig deployment as “illegal and invalid” and again demanded its departure. Beijing explained its position the next day that the drilling “is totally within waters off China’s Xisha Islands.”¹⁴ This public feuding mirrored high-level conversations taking place behind closed doors. On May 6, Vietnamese foreign minister and deputy prime minister Pham Binh Minh held a phone call with Chinese state councilor Yang Jiechi. Minh restated Vietnam’s position and cautioned State Councilor Yang about damage to “mutual political trust and cooperation.” He also stressed Vietnam’s resolve to “take all suitable and necessary measures to safeguard its legitimate rights and interests.” Yang, on the other hand, said Vietnam had no right to interfere with the operation of a Chinese company in Chinese waters. He reiterated Chinese sovereignty over the Paracels and warned that “China is strongly dissatisfied and firmly opposes Vietnam’s interference.”¹⁵

Later that day, Beijing claimed that Vietnamese ships were throwing overboard floating objects such as fishing nets and oil tanks to deliberately obstruct Chinese vessels. Video footage showed Chinese personnel removing wooden planks wrapped in metal wire from the water. Hanoi denied this charge and suggested that China’s violent ramming tactics and use of water cannons had created the debris.¹⁶

The United States waded into the dispute on May 6 as well. During a prescheduled trip to Vietnam, Assistant Secretary of State for East Asia Daniel Russel urged “each of the claimant countries to exercise care and restraint.” Russel also indirectly accused China of endangering the global economy and regional stability for “short-term economic advantage.”¹⁷ Back in Washington, a State Department spokesperson singled out Beijing’s actions “as provocative and unhelpful.” The State Department released a press statement the following day criticizing China’s “unilateral action” as

13. Vietnamese MFA, “Vietnam Demands China Withdraw from Territorial Waters,” press release, May 7, 2014.

14. Vu Trong Khanh, “CNOOC Oil Rig Fuels Vietnam-China Tensions,” *Wall Street Journal*, May 5, 2014; Hua Chunying, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on May 6, 2014” (press conference, Ministry of Foreign Affairs, Beijing, May 6, 2014).

15. “Press Digest—May 6,” *VGP News*, May 7, 2014; “Vietnam Says Prepared to Act on China Rig in Disputed Waters,” *Bloomberg News*, May 7, 2014; “China Urges Vietnam to Stop Disturbing,” Xinhua.

16. “China Requires Vietnam to Stop Any Form of Disruptions,” Xinhua; “Video Shows ‘Vietnamese Boat Ramming Chinese Ships’;” Vietnamese MFA, “Contents of the International Press Conference” (June 16, 2014).

17. Greg Torode, “U.S. Investigated Chinese Oil Rig Move amid Vietnam Complaints,” Reuters, May 6, 2014.

“part of a broader pattern of Chinese behavior to advance its claims over disputed territory in a manner that undermines peace and stability in the region.”¹⁸

On May 7, Vietnam reported that the number of Chinese escorts had risen to at least 60, including 33 coast guard vessels and 7 PLA Navy ships. Hanoi claimed that “dozens of aircraft” were operating overhead daily. A military officer also noted that all armed Chinese vessels had pulled the covers off their deck guns, demonstrating “that they are ready to be used at any moment.”¹⁹ China’s maritime presence around HYSY 981 meant that vessels had to be drawn from all over the country. Moreover, the China Coast Guard Command Center established in early 2014 reportedly played a central role in coordinating action, circumventing unit commanders by giving orders directly to individual vessels. For example, in late June it was reported that a Fisheries Law Enforcement Command vessel from Jiangsu Province returned to its home port after an 80-day deployment to safeguard the rig’s operations. Because the pecking order was still adjusting to the changes the integration of Chinese maritime law enforcement agencies brought about, the China Coast Guard’s control was probably not absolute and had to confront entrenched bureaucratic interests.²⁰ At this time, reports suggested that Vietnam had dispatched up to 29 armed naval and coast guard ships itself.²¹

Eight Vietnamese vessels had been rammed or hit with high-pressure water cannons and six personnel had been injured by May 7. Seeking to press China to end its oil exploration mission, Hanoi distributed video and photographic evidence of some incidents.²² Video captured rammings, water cannon firing, and encircling of Vietnamese ships. Officials maintained that these attacks had taken place dozens of times. Chinese vessels also had reportedly harassed three Vietnamese fishing boats as far as 70 nautical miles east of the oil rig.²³ Vietnamese officials threatened to “respond with similar self-defense” if the ramming continued. The commander of the Third Regional Command in Da Nang asserted that Vietnam’s forces would “not make any concession.” Damaged vessels were being repaired at sea so they could stay engaged. Nevertheless, officials said Vietnam would not fire first.²⁴

18. Jen Psaki, “Daily Press Briefing: May 6, 2014” (press conference, Department of State, Washington, DC, May 6, 2014); Jen Psaki, “Vietnam/China: Chinese Oil Rig Operations near the Paracel Islands” (press statement, Department of State, Washington, DC, May 7, 2014).

19. Officials gave different figures. Vietnamese MFA, “Vietnam’s International Press Conference on 7th May 2014”; Ngo Ngoc Thu, “The Situation on the Area”; “Chinese Ships Ram Vietnamese Vessels in Vietnam’s Waters,” *Thanh Nien News*, May 7, 2014.

20. See Martinson, “From Words to Actions,” 41–43.

21. Brummit, “Vietnam Tries to Stop China”; Damien Gayle, “Chinese Ships Ram Vietnamese Vessels and Fire Water Cannon,” *Daily Mail*, May 7, 2014.

22. “Chinese Ships Ram Vietnamese Vessels in Latest Oil Rig Row: Officials,” *Thanh Nien News*, May 7, 2014; “Chinese Vessels Deliberately Ram Vietnam’s Ships in Vietnamese Waters: Officials,” *Tuoi Tre News*, May 7, 2014.

23. The Vietnamese foreign ministry maintains that a PLA Navy vessel was involved in this incident, but the reported pennant number 1241 does not seem to exist. Vietnamese MFA, “Contents of the International Press Conference” (June 5, 2014); “3 More Vietnamese Surveillance Officers Injured in Chinese Ships’ Attacks,” *Tuoi Tre News*, May 10, 2014; “Trung Quốc huy động 80 tàu, máy bay quanh giàn khoan trái phép, đâm rạch tàu cảnh sát biển VN,” *VT News*; Chris Brummit, “Vietnam: Chinese Ships Ram Vessels near Oil Rig,” *Yahoo! News*, May 7, 2014.

24. Ngo Ngoc Thu, “The Situation on the Area”; Gerry Mulaney and David Barboza, “Vietnam Squares off with China in Disputed Seas,” *New York Times*, May 7, 2014; “6 Vietnamese Fisheries Surveillance Staff Injured in Confrontation with

Hanoi continued to update other regional states about the incidents, reporting that these countries were “concerned by China’s action.” It later came out that a Vietnamese diplomat circulated a note at the United Nations on May 7 to oppose China’s placement of the rig. Singapore’s Ministry of Foreign Affairs, for example, expressed “concern” and called “on all parties to exercise self-restraint.”²⁵ A Vietnamese foreign ministry official raised the possibility of international arbitration, saying, “We cannot exclude any measures, including international legal action, as long as it is peaceful.” Replying to these comments, a Chinese spokesperson stated that the Paracels had “nothing to do with Vietnam and even less to do with the United States.” Beijing criticized Vietnamese actions and condemned Washington’s “irresponsible remarks.”²⁶

On May 8, China’s vice foreign minister rejected Vietnam’s allegations. Beijing insisted that there had been no “clash,” just a “localized” and “controllable . . . difference of opinion.” The Ministry of Foreign Affairs asserted that China had exercised the “utmost restraint” and only used water cannons in response to Vietnamese rammings, of which there had reportedly been 171 incidents. Chinese forces said they had found Vietnamese scuba divers as close as five meters from their vessels. Another official urged Hanoi to “come to its senses” and “cherish what the two have achieved in bilateral relations” in recent years. Meanwhile, the chief executive officer of China Oilfield Services Limited warned of “disastrous consequences” if the rig itself were rammed. Finally, Beijing claimed that Vietnam had sent several armed ships while China had only deployed civilian government vessels. Vietnamese officials rejected these arguments and reiterated that Hanoi would not yield to Chinese pressure.²⁷

Meanwhile, Hanoi continued to gain international support. On May 8, Vietnamese diplomats said they would try to garner sympathy at the upcoming 24th ASEAN Summit. However, Philippine diplomats commented that ASEAN members like Brunei, Cambodia, and Laos were opposed to commenting on the bilateral dispute.²⁸ The same day, the European Union’s High Representative for Foreign Affairs and Security Policy stated concern about the impact of “unilateral actions” in the

Chinese Ships,” *Tuoi Tre News*, May 8, 2014; Nguyen Phuong Linh and Michael Martina, “South China Sea Tensions Rise as Vietnam Says China Rammed Ships,” *Reuters*, May 7, 2014.

25. “Chinese Ships Ram Vietnamese Vessels,” *Thanh Nien News*; “VN Circulates Note to Oppose China’s Illegal Placement of Drilling Rig,” *VGP News*, May 15, 2014; Republic of Singapore, Ministry of Foreign Affairs, “MFA Spokesman’s Comments in Response to Media Queries on the South China Sea on 7 May 2014” (press conference, Singapore, May 7, 2014).

26. Linh and Martina, “South China Sea Tensions Rise”; Mulaney and Barboza, “Vietnam Squares off with China”; “China Urges against Vietnamese Interference in Territorial Water Exploration,” *Xinhua*, May 7, 2014.

27. A Western journalist traveling aboard a Vietnamese patrol ship later confirmed the presence of what his hosts identified as two PLA Navy missile corvettes. Austin Ramzy, “A View from the Sea, as China Flexes Muscle,” *New York Times*, August 9, 2014; “China Requires Vietnam to Stop Any Form of Disruptions,” *Xinhua*; Ben Blanchard and Nguyen Phuong Linh, “China Blames Vietnam for Sea Collisions, but Calls for Talks,” *Reuters*, May 8, 2014; “China Accuses Vietnam of Ramming Ships near Rig in Disputed Seas,” *Bloomberg News*, May 8, 2014; “Vietnam Not to Make Concessions to China’s Wrongful Acts,” *Tuoi Tre News*, May 9, 2014.

28. Torode and Zhu, “China’s Oil Rig Move Leaves Vietnam”; Paul Mooney, “Southeast Asia Faces Renewed Unity Test as South China Sea Tensions Spike,” *Reuters*, May 9, 2014.

standoff. Several days later, a senior British official noted support for this statement.²⁹ Also siding with Vietnam, Japan's chief cabinet secretary told reporters that Tokyo was "strongly concerned about heightened tensions in the region due to China's illegal exploration." The Japanese foreign minister called the oil rig deployment "one step in a series of unilateral and provocative maritime advances by China." China responded by asserting that Japan's statements were "provocative," "irresponsible," and aimed "to tak[e] advantage" of the situation. An official from India's Ministry of External Affairs took a more neutral stance the next day.³⁰

The United States also weighed in more directly. Daniel Russel, still in Hanoi for meetings, engaged Vietnamese leaders in "extensive discussions" on the South China Sea. Russel implied that Washington would support Vietnam seeking international arbitration, hinting that "if diplomatic channels don't yield results, claimant countries enjoy the right to avail themselves of international legal mechanisms." Assistant Secretary Russel explicitly denied that direct U.S. involvement was on the table and stated that "there was no suggestion in any of my meetings from either side of a role for the U.S. military." The Navy would reportedly continue routine surveillance flights in the South China Sea, but did not deploy vessels near the standoff.³¹

On May 9, Chinese vessels purportedly seized fishing and communications equipment from a Vietnamese fishing boat operating in the Paracels. By that point, China had expanded the radius of its protected zone again to five nautical miles. Three more Vietnamese officers were also injured in ramming incidents by Chinese vessels.³² Although, Sino-Vietnamese bilateral communications were substantial by this point, with officials having met 6 times and communicated 14 times, markets reacted to the standoff with panic. Vietnam's leading stock index dropped by 5.9 percent in its biggest one-day decline in 13 years.³³

Vietnam won substantial diplomatic support on May 10. The ASEAN foreign ministers issued a standalone joint statement expressing their "serious concerns over the ongoing developments in the South China Sea." This statement followed a briefing by Vietnam and extensive discussion of

29. European Union, External Action Service, "Statement by the Spokesperson of the EU High Representative on the Recent Escalation of Tensions in the South China Sea" (press statement, Brussels, May 8, 2014); United Kingdom, Foreign and Commonwealth Office, "UK Speaks in Support of EU Statement on Tensions in South China Sea," press release, May 10, 2014.

30. "U.S. Concern over South China Sea 'Dangerous Conduct,'" BBC News, May 8, 2014; "China Focus: China Urges Vietnam to Respect Its Sovereignty Rights over Xisha Islands," Xinhua, May 9, 2014; Fumio Kishida, "Press Conference by Foreign Minister Fumio Kishida" (press conference, Prime Minister's Office, Tokyo, May 9, 2014); Indian Ministry of External Affairs, "Official Spokesperson's Response to a Media Query on the South China Sea" (press conference, Ministry of External Affairs, New Delhi, May 9, 2014).

31. U.S. Embassy Hanoi, "Assistant Secretary Daniel Russel: East Asian and Pacific Affairs Press Roundtable," press release, May 8, 2014; Blanchard and Linh, "China Urges Talks."

32. Vietnamese MFA, "Contents of the International Press Conference" (June 5, 2014); "China Sends Fighter Jets to Guard Illegal Oil Rig in Vietnam's Waters," *Tuoi Tre News*, May 11, 2014; "3 More Vietnamese Surveillance Officers Injured," *Tuoi Tre News*.

33. Blanchard and Linh, "China Urges Talks"; "China Requires Vietnam to Stop Any Form of Disruptions," Xinhua; "Vietnam Pledges All Efforts," *Viet Nam News*; Jane Perlez and Rick Gladstone, "China Flexes Its Muscles in Dispute with Vietnam," *New York Times*, May 8, 2014.

the incident.³⁴ Lobbying by Philippine president Benigno Aquino III was crucial to securing the final statement. Singapore's foreign minister also asserted that although ASEAN did not want to take sides, staying silent would damage the organization's power, unity, and reputation. Indonesia's foreign minister went so far as to say that Jakarta was "disappointed by the acts of the Chinese government." Indonesian president Susilo Bambang Yudhoyono also accused China of "gunboat diplomacy." Malaysian prime minister Najib Razak urged ASEAN to show resolve.³⁵ Myanmar and Cambodia took a softer line, indicating that they would "not be involved in bilateral issues" between Vietnam and China. Yet, Myanmar permitted a reiteration of the foreign ministers' statement the following day.³⁶

The Chinese foreign ministry reacted strongly to this show of unity. In a statement on May 10, Beijing said that "the issue of the South China Sea is not one between China and ASEAN" but a bilateral issue between individual claimants and China only.³⁷ The Vietnamese prime minister responded the next day by harshly condemning China's behavior. On May 12, a Chinese spokesperson said Vietnam's attempt to "rope in other parties and put pressure on China" would prove unsuccessful.³⁸

Phase III: Protests Spread across Vietnam as Beijing Escalates at Sea

While Vietnamese diplomats pressed for international support, Vietnamese citizens began taking to the streets. On May 10, about 100 demonstrators waved banners and chanted slogans for half an hour outside the Chinese consulate in Ho Chi Minh City. The protest was watched by a large force of state security officers.³⁹ Larger rallies were held on May 11. Hundreds demonstrated outside the Chinese embassy in Hanoi and a thousand in Ho Chi Minh City, with smaller numbers in Da Nang and Hue. Protests of such size are highly unusual in Vietnam since security services regularly disrupt anti-China demonstrations. Hundreds of police stood by in Hanoi to maintain control over the situation, but they did not intervene. Plainclothes officers even handed out signage declaring,

34. Association of Southeast Asian Nations, "ASEAN Foreign Ministers' Statement on the Current Developments in the South China Sea," May 10, 2014; "Vietnam Calls for ASEAN Unity against China 'Violations' in East Sea," *Thanh Nien News*, May 10, 2014; "ASEAN Meet: Leaders to Raise Concerns about China," *Hindu*, May 10, 2014.

35. "ASEAN Expresses 'Serious Concerns' over China Sea Dispute," Australian Broadcasting Corporation, May 11, 2014; "Indonesia 'Disappointed' with China over South China Sea Oil Rigs: Marty," *Jakarta Globe*, May 10, 2014; T.J. A. Burgonio, "PH, Vietnam Urge Strong ASEAN Action vs. China," *Philippine Daily Inquirer*, May 12, 2014.

36. "Aquino Says ASEAN Must Tackle China Sea Claims, but Summit Host Myanmar Cautious," *InterAkyson*, May 10, 2014; Association of Southeast Asian Nations, "Chairman's Statement of the 24th ASEAN Summit: 'Moving Forward in Unity to a Peaceful and Prosperous Community,'" May 11, 2014; Association of Southeast Asian Nations, "Nay Pyi Taw Declaration on Realization of the ASEAN Community by 2015," May 11, 2014.

37. Hua Chunying, "Foreign Ministry Spokesperson Hua Chunying's Remarks on the Statement on the South China Sea Issued by ASEAN Foreign Ministers' Meeting" (press conference, Ministry of Foreign Affairs, Beijing, May 10, 2014).

38. "China's Deployment of Oil Rig Endangers Peace, Marine Safety: Vietnam Premier," *Tuoi Tre News*, May 11, 2014; "China Says Vietnam Efforts to Rope in Others on Spat Will Fail," Reuters, May 12, 2014.

39. "Haiyang 981, Get out of Vietnam Now," *Tuoi Tre News*, May 10, 2014; "Vietnam Allows Anti-China Protest over Oil Rig," *Daily Mail*, May 10, 2014; "Looming Street Protests over China a Test for Vietnam," *South China Morning Post*, May 10, 2014.

"We entirely trust the party, the government and the people's army." Police loudspeakers criticized China's behavior and state television broadcast the event.⁴⁰

On May 12, demonstrations in Vietnam grew even larger. Some 10,000 people participated across the country, including 2,000 in Hanoi, 5,000 in Ho Chi Minh City, and 2,000 in Can Tho. Thousands of fishermen also rallied in the central Quang Nam Province.⁴¹ Beijing commented publicly on the protests for the first time, noting that China had asked Vietnam to "take all measures necessary to safeguard the security and legitimate rights and interests of Chinese citizens and organizations in Vietnam."⁴² Markets continued to be volatile in the wake of escalating tensions, with the main index falling another 4.7 percent. Vietnamese travel agencies also began reporting that large numbers of Vietnamese tourists were canceling planned trips to China or switching to other destinations.⁴³

Meanwhile, China reportedly expanded its defensive perimeter a third time to some 10 to 15 nautical miles. The Vietnam Coast Guard accused China of sending military aircraft to intimidate Vietnamese ships.⁴⁴ Vietnam also released photographs of three PLA Navy ships near the oil rig, surrounded by coast guard vessels.⁴⁵ Furthermore, Vietnamese officers claimed that the navy ships tracked nearby ships with their deck guns. In what Vietnamese personnel said was a common mode of attack, at 10:30 am on May 11 the CCG 3401 and seven other coast guard vessels suddenly steamed toward a group of Vietnamese ships. As a Chinese aircraft buzzed overhead, three Chinese ship tried to ram them directly while the other five circled around and behind to cut off their retreat. In addition, a PLA Navy guided missile frigate reportedly left its position near the oil rig and deployed directly against Vietnam Coast Guard vessels. In the Paracels, two Vietnamese fishing boats had their equipment and catch seized.⁴⁶

40. "Vietnamese Take to the Streets to Protest China Oil Rig," Bloomberg News, May 11, 2014; Cat Batron, "Large Protests in Vietnam over China Oil Rig," *Rappler*, May 11, 2014; "Vietnamese Take to the Streets in Protest against China's Oil Rig Incursion," *Thanh Nien News*, May 11, 2014.

41. Manabu Ito, "Vietnam Sees Third Straight Day of Anti-China Protests," *Nikkei Asian Review*, May 12, 2014; "Nation Protests Chinese Intrusion," *Viet Nam News*, May 13, 2014; "Protesters Request China Withdraw Oil Rig from Vietnam's Waters," *Tuoi Tre News*, May 13, 2014.

42. Hua Chunying, "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on May 12, 2014" (press conference, Ministry of Foreign Affairs, Beijing, May 12, 2014).

43. "Vietnam Stocks Tumble to Four-Month Low as China Tensions Rise," Bloomberg News, May 12, 2014; "Vietnamese Tourists Cancel China Tours over Chinese Oil Rig Tension," *Tuoi Tre News*, May 13, 2014.

44. This included "fighter jets" and an aircraft bearing the pennant number 9401, which flew over the Vietnam Coast Guard ship CSB-8003 at a height of 3,000 feet. "China Sends Fighter Jets to Guard," *Tuoi Tre News*.

45. The vessels' pennant numbers are indiscernible in the images themselves, but the Vietnam Coast Guard labeled them the *Jinhua* (534) frigate and the *Dongan* (753) missile corvette—previously identified in a May 7 briefing—as well as the *Yuqing* (752) and another a *Houxin*-class missile corvette. "Chinese Ships Ramming Vietnamese Ships in Pictures," *VietnamNet Bridge*, May 11, 2014.

46. Vietnamese reports also identified the presence of a helicopter with the pennant number B-7112. "Chinese Vessels Continue to Attack Vietnamese Ships in Vietnam's Waters," *Tuoi Tre News*, May 12, 2014; "Marine Forces Pledge Continued Resistance," *Viet Nam News*, May 13, 2014; "China Uses Missile Frigate to Block Vietnamese Ships: Official," *Tuoi Tre News*, May 14, 2014; Vietnamese MFA, "Contents of the International Press Conference" (June 5, 2014).

On May 13, Secretary Kerry spoke with Chinese foreign minister Wang Yi over the phone. The U.S. secretary of state said Beijing's deployment of the oil rig and its escorts was "provocative" and requested that both sides deescalate. In response, Wang urged Kerry to work with China to develop a "new type of great power relations." A Chinese spokesperson also commented that regional states had been "emboldened" by the United States' "wrong words and actions." Meanwhile, there were reports that Beijing rejected an offer for a face-to-face meeting between the Vietnamese Communist Party's secretary-general and the Chinese president.⁴⁷

In Vietnam, anti-China unrest finally erupted into violence. Up to 20,000 workers from the Vietnam Singapore Industrial Park staged walkouts and riots followed soon after. Rioters vandalized hundreds of foreign-owned factories that they believed were owned by Chinese companies (because they had names with Chinese characters). In fact, Taiwanese, Singaporean, Malaysian, and South Korean firms were also targeted. At least 15 factories were burned, particularly labor-intensive textile and garment factories.⁴⁸ Vietnamese police were present and said they arrested roughly 440 rioters, but were unable or unwilling to prevent the riots. A number of Vietnamese hotels and bars also announced that they were instituting a patriotic ban on Chinese customers. Amidst this unrest, hundreds of Taiwanese citizens were forced to take shelter in a Taiwanese hotel in Binh Duong City.⁴⁹

China lodged "solemn representations" with Vietnam to protect Chinese citizens and institutions, stop the destruction, and punish those responsible. Beijing issued safety warnings to Chinese citizens in Vietnam, and Hong Kong released a travel warning. Taiwanese president Ma Ying-jeou said he was sending two Taiwanese officials to Vietnam and raised the possibility of sending military aircraft to conduct evacuations if necessary. Singapore also summoned the Vietnamese ambassador to urge Hanoi "to restore order urgently." To manage the growing crisis, Vietnam sent its deputy foreign minister to Beijing for comprehensive talks.⁵⁰ At sea that day, three China Coast Guard vessels formed a line and rammed Vietnamese vessels. At the time, 86 Chinese vessels were reportedly in the area, protecting the HYSY 981, which had lowered its drilling equipment.⁵¹

47. "U.S., China Spar Again on South China Seas Dispute," Reuters, May 13, 2014; Hua Chunying, "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on May 13, 2014" (press conference, Ministry of Foreign Affairs, Beijing, May 13, 2014); Keith Bradsher, "China and Vietnam at Impasse over Rig in South China Sea," *New York Times*, May 12, 2014.

48. Denise Tang, "Hong Kong Issues Vietnam Travel Warning after Mobs Torch Chinese Factories," *South China Morning Post*, May 14, 2015; Ho Binh Minh and Manuel Mogato, "Vietnam Mob Sets Fire to Foreign Factories in Anti-China Riots," Reuters, May 14, 2014; Julie Makinen, "Vietnam Mobs Torch Foreign Factories in Anti-China Protests," *Los Angeles Times*, May 14, 2014; Chris Buckley, Chau Doan, and Thomas Fuller, "China Targeted by Vietnamese in Fiercy Riots," *New York Times*, May 14, 2014.

49. "Anti-China Protesters Damage Offices, Torch Factories in Vietnam," Australian Broadcasting Corporation, May 14, 2014; "Kerry Wades into South China Sea Row as Vietnamese Protests Grow," *Al Jazeera America*, May 13, 2014; Manabu Sasaki, "Vietnam Hotel Shuts out Chinese Customers over Maritime Dispute," *Asahi Shimbun*, May 13, 2014.

50. "Anti-China Protesters Damage Offices," Australian Broadcasting Corporation; Makinen, "Vietnam Mobs Torch Foreign Factories"; Tang, "Hong Kong Issues Vietnam Travel Warning"; "Live Report: Vietnam Holds Press Conference on China's Illicit Oil Rig," *Tuoi Tre News*, May 15, 2014.

51. "Chinese Vessel Rams, Destroys Railing of Vietnam Coast Guard Ship," *Tuoi Tre News*, May 13, 2014; Vu Trong Khanh, "Vietnam Says It Is Exercising 'Restraint' in Standoff with China," *Wall Street Journal*, May 13, 2014.

On May 14, Vietnamese factories remained closed despite the mobilization of riot police. Taiwan reported that the riots had affected 200 Taiwanese firms. South Korea announced that 50 of its factories had been attacked. Even factories unaffected by the violence remained shut, and many unfurled pro-Vietnam signs. Vietnamese authorities reported that some Chinese citizens had begun fleeing across the border to Cambodia. That afternoon, “thugs” blocked traffic along a national highway and some cars were stopped because the passengers looked Chinese.⁵² Beijing then issued a travel warning for Chinese nationals planning trips to Vietnam. New riots broke out that night at a Taiwanese-owned factory in the central Ha Tinh Province, where hundreds were injured and up to 21 killed, including Chinese workers.⁵³

At sea, the PLA Navy deployed two of its three total *Yuzhao*-class amphibious transport docks to the rig while Chinese aircraft flew nearby. Each ship bristles with five guns and eight surface-to-air missiles and can carry a full marine battalion of 500 to 800 troops and 15 to 20 armored vehicles. In the Paracel Islands, a Chinese vessel rammed and damaged yet another Vietnamese fishing ship. Chinese vessels also cut across the bow of a Vietnamese ship carrying international reporters at close range.⁵⁴ The same day, Australia expressed support for the recent ASEAN statement on the South China Sea.⁵⁵

Several diplomatic exchanges occurred on May 15. Vietnamese foreign minister Pham Binh Minh held a phone call with Chinese foreign minister Wang Yi. Minh emphasized that the riots were “spontaneous” and said they would be dealt with according to the law. Vietnamese prime minister Nguyen Tan Dung sent an official directive ordering ministries to protect foreign investors and punish lawbreakers. At the same time, Hanoi implied that it was still considering bringing the oil rig incident to the UN Security Council or seeking international arbitration.⁵⁶ Beijing expressed shock at the violence and placed the blame squarely on Hanoi. Chinese state media also accused Vietnam of encouraging the protests.⁵⁷

52. Jonathan Kaiman, “Vietnamese Workers Torch Foreign Factories over Chinese Sea Claims,” *Guardian*, May 14, 2014; Buckley, Doan, and Fuller, “China Targeted by Vietnamese in Fiery Riots”; Heng Reaksmey, “After Anti-China Protests in Vietnam, Chinese Flee to Cambodia,” *VOA News*, May 14, 2014; “Vietnam Police Detain over 600 Rioters in Southern Localities,” *Tuoi Tre News*, May 14, 2014.

53. “China Issues Tourist Warning after Riots,” *Inquirer Global Nation*, May 15, 2014; “Up to 21 Dead, Doctor Says, as Anti-China Riots Spread in Vietnam,” Reuters, May 15, 2014.

54. “Two Chinese Transport Vessels Equipped with Anti-Air Missiles Detected,” *Tuoi Tre News*, May 14, 2014; Vietnamese MFA, “Contents of the International Press Conference” (June 5, 2014); “Vietnamese Force Never Wavers Despite Chinese Attacks,” *Tuoi Tre News*, May 15, 2014.

55. Commonwealth of Australia, Department of Foreign Affairs and Trade (DFAT), “Statement on Development in the South China Sea,” press release, May 14, 2014.

56. “VN Demands China’s Positive Response, Assures Foreign Nationals,” *VGP News*, May 15, 2014; “PM Orders Urgent Measures to Maintain Security, Order,” *VGP News*, May 15, 2014; “Live Report: Vietnam Holds Press Conference,” *Tuoi Tre News*.

57. Hua Chunying, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on May 15, 2014” (press conference, Ministry of Foreign Affairs, Beijing, May 15, 2014); “Vietnam Sends Mixed Signals to Mobs after Two Chinese Killed in Riots,” *Xinhua*, May 16, 2014.

By May 16, over 400 factories had been damaged and 1,100 others shut down. Hanoi reported that it had arrested more than 1,000 criminal suspects from the riots. Chinese media at this time confirmed that at least two Chinese citizens had been killed. Beijing reported that Vietnam had sent up to 60 coast guard and military vessels to the site of the oil rig, accusing Hanoi's ships of responsibility for over 500 ramblings over the previous two weeks. Vietnamese media reported that China had sent as many as 100 vessels to the area.⁵⁸ According to Hanoi, a China Coast Guard vessel had reportedly attacked a Vietnamese fishing boat, beaten its crew, and seized its catch and equipment. Several Vietnamese ships were rammed and hit by water cannons some seven nautical miles from the rig. Once again, talks occurred in Beijing between China's assistant foreign minister and Vietnam's deputy foreign minister.⁵⁹

On May 17, Vietnam's minister of public security discussed safety concerns with his Chinese counterpart. As this phone call occurred, the Vietnam Fisheries Surveillance Force reported that China's protective fleet around the HYSY 981 had added 27 new ships in recent days, including four PLA Navy vessels. This brought the total Chinese presence to around 130 ships. Hanoi claimed it had only five fisheries vessels deployed near the rig. One Vietnamese officer noted the disparity between the 2,000-ton China Coast Guard vessels and 450-ton Vietnamese ships, which as a result were more likely to sink during a collision. That day, a Chinese vessel allegedly rammed a Vietnamese fishing boat 31 nautical miles from Triton Island.⁶⁰

On May 18, thousands of Vietnamese police flooded major cities like Hanoi and Ho Chi Minh City to crack down on anti-China protests. Vietnam's efforts to calm fears of unrest were unsuccessful, however. China arranged three chartered flights to take over 300 Chinese nationals, including many of those injured in the riots, from Ha Tinh Province to the southwestern Chinese city of Chengdu. Elsewhere, ferries helped to evacuate 4,000 Chinese citizens. Beijing announced that it had increased its travel warning for Vietnam and suspended some bilateral exchanges. Widespread cancellations and suspensions of air travel followed.⁶¹

At sea, Vietnamese claimed that hundreds of Chinese fishing boats arrived at the site of the rig. These vessels did not engage in commercial fishing but instead arranged themselves seven nm from the oil rig with their bows facing away, so as to protect the HYSY 981. China Coast Guard vessels also rammed, fired water cannons at, and surrounded outnumbered Vietnam Coast Guard

58. "Spotlight: Vietnam's Anti-China Violence Damages Ties, Economy," Xinhua, May 16, 2014; "China, Vietnam Hold Talks on Recent Anti-China Violence," Xinhua, May 17, 2014; "China Once Again Urges Vietnam to Immediately Stop Disruptions of Chinese Company's Operation," Xinhua, May 16, 2015; "Vietnam Demands Reply from China over Illegal Oil Rig," *Tuoi Tre News*, May 16, 2014.

59. The foreign ministry reported this patrol vessel to be FLEC 306, but this pennant number does not seem to exist. Vietnamese MFA, "Contents of the International Press Conference" (June 5, 2014); "China Beefs up Rig Fleet, Continues Attacks on Vietnamese Ships," *Thanh Nien News*, May 17, 2014.

60. "Security Minister Holds Phone Talks with Chinese Counterpart," *VGP News*, May 17, 2014; Vietnamese MFA, "Contents of the International Press Conference" (June 5, 2014); "China Beefs up Rig Fleet," *Thanh Nien News*.

61. "Vietnam Stops Anti-China Protests after Riots, China Evacuates Workers," Reuters, May 18, 2014; Hong Lei, "Foreign Ministry Spokesperson Hong Lei's Regular Press Conference on May 15, 2014" (press conference, Ministry of Foreign Affairs, Beijing, May 15, 2014); "China Travel to Vietnam Plummets amid South China Sea Standoff," *Wall Street Journal*, May 21, 2014.

vessels. Hanoi reported that the number of Chinese government ships had risen to 136.⁶² Several reports and pictures surfaced of Chinese troops and war materiel moving toward the Vietnamese border in China's Guangxi Province. Rumors circled that the alert level of neighboring Yunnan had been raised to combat readiness.⁶³

On May 19, Chinese state councilor and defense minister Chang Wanquan met with Vietnamese defense minister Phung Quang Thanh at the ASEAN-China Defense Ministers' Meeting, but no breakthrough was reached. A Chinese spokesperson urged ASEAN to "remain neutral [and] not intervene in the dispute."⁶⁴ Yet pressure continued to rise as several Chinese military aircraft were seen near the HYSY 981. A JH-7 fighter-bomber made four passes 3,000 feet above Vietnamese ships and a Chinese maritime patrol aircraft twice flew at 800 feet over another ship. China Coast Guard vessels continued to keep Vietnamese ships at least six nm away from the oil rig.⁶⁵

On May 21, Vietnamese prime minister Nguyen Tan Dung and Philippine president Benigno Aquino began a two-day summit in Manila to discuss Chinese maritime behavior. The leaders discussed the possibility of taking international legal action against Beijing.⁶⁶ Vietnam's foreign minister also called U.S. secretary of state John Kerry to review recent developments. That same day, Assistant Secretary Russel announced that the United States would commit \$18 million in foreign military financing to the Vietnam Coast Guard. Vietnam's national assembly also passed a resolution condemning China's action.⁶⁷ Meanwhile, Xi Jinping spoke at the Fourth Conference on Interaction and Confidence-Building Measures in Asia and repeated China's disapproval of "military alliances targeted at a third party." Hanoi tried to pacify China by clarifying that Vietnam was not seeking "any military alliance against another country."⁶⁸

Vietnamese diplomats submitted a report on China's activities to the United Nations, World Trade Organization, and other international organizations on May 22. Japanese prime minister Shinzo Abe expressed his support for Vietnam's position and announced that Tokyo would accelerate its plan to provide Hanoi maritime patrol vessels. The United States also stated that it would support Vietnam if Hanoi elected to pursue "arbitration or other international mechanisms."⁶⁹ When asked about possible legal action, a Chinese spokesperson asserted that "there exists no dispute" over

62. "China Deploys Myriad Fishing Boats to Guard Illegal Rig in Vietnam's Waters," *Tuoi Tre News*, May 19, 2014.

63. Joshua Philipp, "Chinese Military Said to Be Massing near the Vietnam Border (+Photos)," *Epoch Times*, May 18, 2014; "PLA Troops Spotted near China-Vietnam Border," *Want China Times*, May 18, 2014.

64. "Chinese State Councilor Meets Vietnamese Defense Minister in Myanmar," Xinhua, May 20, 2014; "China Demands ASEAN Stay out of Vietnam Dispute," *Inquirer Global Nation*, May 19, 2014.

65. "China Military Planes Support Illegal Oil Rig in Vietnam's Waters," *Tuoi Tre News*, May 20, 2014.

66. Manuel Mogato and John Ruwitch, "Vietnam, Philippines Jointly Denounce China's Maritime Moves," Reuters, May 21, 2014; "Vietnam Threatens Legal Action against China," *Al Jazeera America*, May 21, 2014.

67. "U.S. Hails Vietnam's Goodwill, Criticizing China's Provocation over Sea Dispute," *Tuoi Tre News*, May 22, 2014; "Vietnam Legislature Denounces China's Oil Rig Deployment as Sovereignty Infringement," *Tuoi Tre News*, May 22, 2014.

68. Vietnamese MFA, "Prime Minister Nguyen Tan Dung Answers to Associated Press on 21 May" (press conference, MFA, Hanoi, May 21, 2014); Xi Jinping, "State by H. E. Mr. Xi Jinping, President of the People's Republic of China" (speech, Conference on Interaction and Confidence-Building Measures in Asia, Shanghai, May 21, 2014).

69. "Vietnam Reports China's Violation of Sovereignty to United Nations," *Tuoi Tre News*, May 22, 2014; "Excerpts from WSJ Interview with Prime Minister Shinzo Abe," *Wall Street Journal*, May 27, 2014; "Japan, Vietnam Blame China for

the Paracels and accused Vietnam of giving “tacit permission” to anti-China riots. This followed an announcement from a large Chinese metallurgical and construction company that a riot at the Ha Tinh Steel Plant in Vietnam had killed four Chinese workers and injured 126.⁷⁰

The same day, media reported for the first time that Chinese vessels were deployed in three or more concentric circles. The innermost circle centered on two Chinese frigates docked close to the oil rig. The middle circle included other PLA Navy ships. The outermost circle was made up of dozens of China Marine Surveillance, Fisheries Law Enforcement Command, and China Coast Guard vessels. As for Vietnam, its coast guard and fisheries ships were deployed “in the shape of the blades of a fan, with five teams around the rig.” The teams were stationed half a nautical mile apart, allowing them to cover a wide area while still retaining the ability to respond quickly should Chinese vessels confront any of the teams. During the night, Vietnamese ships shifted position every couple hours to thwart ambushes.⁷¹ The commander of the U.S. Pacific Command, Admiral Samuel Locklear, told reporters on May 23 that he had “serious concerns” about the risk of a miscalculation escalating into armed conflict. The head of the Vietnamese foreign ministry’s legal department advised, “Using legal measures is better than armed conflict.”⁷²

The Vietnam Fisheries Surveillance Force observed on May 25 that the HYSY 981 had raised its drilling equipment and begun to move. The rig settled at a new location the following day, only 100 yards north of its original site. Hanoi assessed that this repositioning was “due to technical reasons.” Vietnamese officers also reported that China Coast Guard vessels were still enforcing their defensive perimeter up to 12 nm from the rig. Beijing also deployed roughly 50 large “iron-covered” fishing vessels spaced a few dozen yards apart, thereby forming a mile-long “fence” between the oil rig and Vietnamese ships.⁷³

Forty Chinese fishing vessels reportedly surrounded a small group of Vietnamese fishing boats 17 nm southwest of HYSY 981 on May 26. One boat apparently rammed and sank a Vietnamese fishing vessel. The 10 crewmembers were rescued by other Vietnamese fishermen present. Beijing’s account of the sinking put the blame squarely on Hanoi. The Chinese foreign ministry argued that the Vietnamese boat had capsized after it purposely rammed a Chinese vessel. Beijing also asserted that “the direct reason” for this and other incidents was Vietnam’s continued bid to

Maritime Tensions,” *Japan Times*, May 22, 2014; “White House Supports Legal Action to Resolve China, Vietnam Dispute,” Reuters, May 22, 2014.

70. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on May 22, 2014” (press conference, Ministry of Foreign Affairs, Beijing, May 22, 2014); “China’s MCC Says Four Staff Killed in Vietnam Unrest, Most Employees Evacuated,” Reuters, May 20, 2014.

71. “Days of Witnessing China’s Aggressive Games in East Vietnam Sea,” *Tuoi Tre News*, May 22, 2014.

72. Jim Gomez, “U.S. Commander Warns about China-Vietnam Standoff,” *Yahoo! News*, May 23, 2014; Sui-Lee Wee and Manuel Mogato, “China Warns Japan, Philippines Accuses China in Maritime Spat,” Reuters, May 23, 2014.

73. “Chinese Ship Rams, Sinks Vietnamese Fishing Boat in Vietnam’s Waters,” *Tuoi Tre News*, May 26, 2014; “China Moves Illegal Oil Rig 100 Meters North in Vietnam’s Waters,” *Tuoi Tre News*, May 26, 2014; “China Might Have Moved Illegal Oil Rig in Vietnam’s Waters: Report,” *Tuoi Tre News*, May 26, 2014.

approach and disrupt the operation of the oil rig. Meanwhile, a Fisheries Surveillance Force vessel was allegedly surrounded and attacked by 10 Chinese vessels.⁷⁴

Phase IV: Rig Towed East to New Drilling Site

On May 27, two Chinese tugboats pulled the HYSY 981 to a new location 23 nautical miles to the northeast. The China Maritime Safety Administration announced that the second phase of oil and gas exploration had commenced. According to the notice, the rig would remain at its new position from May 27 to August 15. China reiterated its commitment to forbid foreign vessels from entering a three-nm radius around the platform.⁷⁵ A spokesperson in Beijing stated that this was “part of the overall plan for . . . the drilling operation,” and the second phase of the exploration was taking place at the second location “as planned . . . within the indisputable coastal waters of China.” A press release seemed to suggest both locations were 17 nm from Triton Island, “completely within China’s territorial waters,” and a later position paper repeated this measurement as well.⁷⁶ Vietnamese media, on the other hand, described the new location as 25 nm away.⁷⁷ In any case, under the 1982 UN Convention on the Law of the Sea the rig was well beyond the feature’s 12-nm territorial sea.

Vietnamese agencies reported that China still maintained about 120 vessels at this new location, including 36 China Coast Guard vessels, 14 “freighters,” and 17 PLA Navy ships. Beijing continued to arrange the ships in defensive rings and maintain a high tempo of operations. After the rig’s movement, Hanoi reiterated its opposition on China’s activities, saying the platform was violating Vietnamese sovereign rights. Vietnam then summoned a representative from the Chinese embassy to deliver another note verbale.⁷⁸

Chinese state councilor Yang Jiechi visited Vietnam on June 18 for the highest-level direct talks since China’s movement of the HYSY 981. State Councilor Yang held direct talks on Chinese drilling activities with Prime Minister Nguyen Tan Dung, Foreign Minister Pham Binh Minh, and General Secretary of the Communist Party Nguyen Phu Trong. The two sides pressed their respective positions in “candid and constructive” discussions, but both sides publicly emphasized the importance of their overall relationship and resolution of the dispute through bilateral negotiations and joint development. State Councilor Yang also made a point of stating that both countries

74. Qin Gang, “Foreign Ministry Spokesperson Qin Gang’s Regular Press Conference on May 27, 2014” (press conference, Ministry of Foreign Affairs, Beijing, May 27, 2014); “Vietnamese Boat Capsized in S China Sea, Crew Saved,” Xinhua, May 27, 2014; Vietnamese MFA, “Contents of the International Press Conference” (June 5, 2014); “Chinese Ship Rams, Sinks Vietnamese Fishing Boat,” *Tuoi Tre News*; “China Moves Illegal Oil Rig 100 Meters,” *Tuoi Tre News*.

75. Screenshots of the original MSA navigation notice 14041 are preserved on various Chinese blogs and forums: <http://tieba.baidu.com/p/3167679081?pid=53818077861#53818077861>; “China Moves Illegal Oil Rig to New Area, Still in Vietnam’s Waters,” *Tuoi Tre News*, May 27, 2014.

76. Qin Gang, “Regular Press Conference on May 27, 2014”; “Vietnamese Boat Capsized in S China Sea,” Xinhua; “COSL’s Oil Exploration Enters Second Phase,” Xinhua, May 27, 2014; PRC MFA, “The Operation of the HYSY-981 Drilling Rig: Vietnam’s Provocation and China’s Position,” June 9, 2014.

77. “Vietnamese Vessels Approaching Chinese Oil Rig at New Location,” *Tuoi Tre News*, May 28, 2014; “Illegal Chinese Rig Moves 23 Nautical Miles in Vietnam’s Waters,” *Tuoi Tre News*, May 28, 2014.

78. *Ibid.*

should “ward off [external] interferences.” Chinese state media hailed the summit as a success, with Xinhua commenting that the two sides had agreed to “properly handle the sensitive issues in bilateral ties.”⁷⁹

At the time of the meeting, China reportedly deployed roughly 40 China Coast Guard vessels, 15 transports, 20 tugboats, 35 iron-clad fishing ships, and 5 PLA Navy ships. However, Vietnamese authorities observed that 18 vessels had departed, and that the remaining force was less active. The ships formed a tight “fantail shape” around the rig with little distance between the ships, as opposed to the dispersed formation that had prevailed previously. In addition, the HYSY 981 drilling equipment was visibly retracted and Chinese ships conducted fewer rammings and water cannon attacks.⁸⁰

Phase V: Withdraws a Month Early

On July 15, the China National Petroleum Corporation announced that the HYSY 981’s exploratory activities had been completed. According to the statement, the operation had found “signs of oil and gas” that required comprehensive assessment before any extraction testing could be done. As a result of preliminary testing, the HYSY 981 was being relocated near Hainan Island. Despite the fact that Beijing had stated on multiple occasions that the oil rig would depart on August 15, China claimed that the operation’s conclusion had proceeded “as scheduled.”⁸¹ In a press conference, a Chinese foreign ministry spokesperson stated that the relocation of the rig “was in accordance with relevant company’s plan of operation at sea” and had “nothing to do with any external factor.”⁸²

Vietnamese officials reported that all of the rig’s escort vessels accompanied the HYSY 981 to southern Hainan. Responding to this withdrawal, a Vietnamese spokesperson insisted that China not send any oil rig to Vietnam’s exclusive economic zone and continental shelf again. Prime Minister Dung reiterated that demand and noted that it applied not only to Vietnam but also for all countries in Southeast Asia. Dung hailed Vietnam’s success and thanked the international community for its support during the standoff.⁸³

79. See, for example, “Top Chinese Diplomat Yang Jiechi Visits Vietnam over Oil Rig,” *Tuoi Tre News*, June 18, 2014; “Vietnam PM Demands Rig Withdrawal in Meeting with Top Chinese Diplomat,” *Tuoi Tre News*, June 19, 2014; China, Vietnam Agree to Properly Handle Sensitive Bilateral Issues,” Xinhua, June 18, 2014; “China, Vietnam Should Ward off Interferences, Strengthen Cooperation: Chinese State Councilor,” Xinhua, June 19, 2014.

80. “Chinese Vessels Less Active, Re-Arranged near Illegal Rig in Vietnam Waters,” *Tuoi Tre News*, June 19, 2014.

81. “CNPC Ends Drilling off Xisha Islands,” Xinhua, July 16, 2014; “Chinese FM Confirms Drilling off Xisha Completed,” Xinhua, July 16, 2014; “Rig Removal in Accordance with Original Plan,” *Global Times*, July 17, 2014.

82. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Remarks on the Completion of the Operation in Waters to the South of China’s Zhongjian Island” (press conference, Ministry of Foreign Affairs, Beijing, July 16, 2014); Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Further Remarks Concerning the Withdrawal of the HYSY 981 Drilling Rig” (press conference, Ministry of Foreign Affairs, Beijing, July 16, 2014).

83. “China Moves Illegal Oil Rig out of Vietnam’s Waters,” *Tuoi Tre News*, July 16, 2014; “MoFA Comments on China’s Oil Rig Move,” *VGP News*, July 16, 2014; “Vietnamese Premier Demands China Not Repeat Sovereignty Violations after Rig Moving,” *Tuoi Tre News*, July 16, 2014.

The HYSY 981 has returned to northwestern portion of the South China Sea several times since 2014. However, on none of these occasions did it cross over to the Vietnamese side of the assumed median line between the two countries (excluding the Paracel Islands). In June 2015, the oil rig carried out drilling operations 75 nautical miles south of Hainan Island. It returned again in January 2016 to an area 25 miles on the Chinese side of the median line, and again in April 2016 to a similar location.⁸⁴

Conclusions

First, China knowingly took a risk in putting the oil rig into disputed waters. As a result, Chinese leaders were prepared to respond rapidly if Vietnamese forces intercepted the rig. This is evident in the speed with which a large Chinese flotilla arrived on the scene after Vietnamese ships began to challenge the rig and its escorts. Although Chinese leaders must have been surprised by the ferocity of the Vietnamese response, they were still prepared to send and maintain at sea a large fleet of civilian and government vessels.

Second, Vietnam accepted significant risk in pushing back so forcefully against the oil rig's operations in disputed waters. Many Vietnamese ships sustained severe damage in the confrontation, yet Hanoi continued to contest control of the area even though Chinese ships were larger, better equipped, and more numerous. The Vietnamese ability to use motherships to supply and repair vessels at sea likely aided the government's ability to sustain its challenge to the Chinese operations. Thus, the fact that the standoff continued for several months demonstrates that leaders in both countries were willing to accept risk.

Third, China's use of concentric circles of vessels protecting the oil rig is a classic example of China's general approach to maritime incidents. Beijing takes calculated risks and attempts to accomplish its goals with the minimum use of force possible. By putting its fishing vessels on the perimeter, civilian government vessels in the middle, and military ships in the center, China decreased the likelihood of conflict while attempting to accomplish its objectives and deter escalation. After all, any vessel entering the area near the oil rig was most likely to turn away after a clash with a fishing vessel, which would carry less risk to Beijing than an encounter with a Chinese government vessel. However, when tested continually over time, China was still required to use force, which may be one reason that the oil rig's operations ended earlier than planned.

Finally, unlike many other cases of maritime coercion, Beijing appears to have backed down. Although Beijing escalated repeatedly and had a larger and more capable force than Hanoi, Vietnam's persistence and risk acceptance appear to have convinced China to withdraw the oil rig early. Leaders in China have contested this conclusion, but it is clear that the oil rig was initially planned to stay through mid-August and that its withdrawal was a divergence from the initial plan.

84. "China Moves Controversial Oil Rig back towards Vietnam Coast," Reuters, June 26, 2015; Mike Ives, "Vietnam Objects to Chinese Oil Rig in Disputed Waters," *New York Times*, January 20, 2016; Shannon Tiezzi, "Vietnam to China: Move Your Oil Rig out of the South China Sea," *Diplomat*, April 9, 2016.

CASE 8: “TOP GUN” INCIDENT (2014)

Figure 3.14. Chinese J-11 Buzzes U.S. Navy P-8 Poseidon



Source: U.S. Navy photo #140819-N-ZZ999-113 (August 19, 2014).

Overview

In mid-2014, fighter jets from China’s Hainan Province began intercepting U.S. military aircraft in the South China Sea more frequently and aggressively. This pattern culminated in a dangerous air-to-air encounter on August 19, 2014. After intercepting a U.S. P-8A maritime patrol aircraft that was surveilling the approaches to a Chinese submarine base, a Chinese J-11B fighter engaged in several unsafe aerial maneuvers, including a “Top Gun–style” barrel roll over the P-8 at a distance of less than 50 feet (Figure 3.14). These actions triggered a strong U.S. diplomatic response. In bilateral talks, the United States protested the behavior of Chinese forces and defended the legality of its operations in international airspace, while Beijing disputed the factual details of the incident and called for a reduction in U.S. “close-in” surveillance activities. Nevertheless, the two sides later agreed to new confidence-building mechanisms and rules of the road for air-to-air intercepts and at-sea encounters. Chinese officials also gave private assurances that similar coercive intercepts would not occur again.

BOX 3.8. Background on Aerial Reconnaissance above Exclusive Economic Zones

Just as the United States and China disagree about the legality of certain naval activities in coastal nations' exclusive economic zones, they also differ on the permissibility of "close-in" aerial reconnaissance in the airspace above them. China has longstanding objections to U.S. surveillance missions that, although conducted beyond Chinese sovereign airspace, Beijing argues constitute a threat to its national security.¹ The United States, on the other hand, maintains that it is free to "fly, sail, and operate wherever international law allows."² Under the 1982 UN Convention on the Law of the Sea, Washington maintains that it is fully entitled to conduct aerial reconnaissance up to 12 nautical miles from China's coast.³ In practice, the United States usually conducts these intelligence collection operations at a greater distance.

U.S. close-in aerial reconnaissance has been routine since the Cold War. U.S. aircraft conducting these flights most frequently include the RC-135, an aircraft capable of detecting, identifying, and geolocating signals across the electromagnetic spectrum. The P-3 Orion and P-8 Poseidon also collect a variety of signals intelligence and frequently conduct similar reconnaissance operations. The early Cold War saw numerous confrontations—many of them fatal—between Soviet fighters and U.S. aircraft flying near or often illegally over Soviet or Soviet-allied territory in Europe, East Asia, and Cuba. Despite the risk of accidental or inadvertent escalation, Washington and Moscow managed to prevent these incidents from spiraling out of control.⁴

China and the United States have gone through cycles of confrontation and cooperation on this issue as their relationship has shifted over time. In the 1960s, for example, five U.S. U-2 reconnaissance aircraft piloted by Taiwanese airmen were shot down over mainland China. The United States also routinely operated P-3s and SR-71 Blackbirds as close as 20 miles from the Chinese coast.⁵ With the beginning of the U.S. rapprochement with China, however, U.S. surveillance activities were significantly curtailed. In 1969, President Richard Nixon revised the closest point of approach to 50 miles, with most U.S. aircraft flying no closer than 75 miles. National Security Adviser Henry Kissinger then promised Premier Zhou Enlai during his 1971 visit to China that the United States would undertake a "full review of the program." Reportedly, U.S. close-in reconnaissance near China "virtually came to a stop" for the remainder of the Cold War as the two joined forces to contain Russian influence.⁶

Yet with the 1989 Tiananmen massacre, 1991 dissolution of the Soviet Union, and 1995–1996 Taiwan Strait Crisis, the United States increasingly viewed China as a threat. It resumed a high tempo of close-in surveillance flights at a range of about 50 miles from mainland China, mostly out of Kadena Air Base on Okinawa. From 1997 to 1999, the United States flew an average of 200 of these missions annually. China began scrambling fighter jets to escort about one out of every three surveillance flights in response. Chinese officials particularly complained about U.S. flights coming "too close to the coast."⁷ At this time, most of China's aerial intercepts were conducted in a "safe and nonthreatening" manner. Washington turned up the operational intensity further in late 2000.

This may have led China in turn to increase the aggressiveness of its interceptions.⁸ Between December 2000 and April 2001, PLA fighters conducted 44 intercepts, coming within 30 feet of a

(continued)

BOX 3.8. (Continued)

U.S. aircraft six times and within 10 feet twice.⁹ These dangerous air-to-air encounters finally came to a head. On April 1, 2001, a PLA Navy F-8 fighter collided with a U.S. Navy EP-3 turboprop some 70 miles off Hainan Province in the South China Sea. Beijing claimed the EP-3 “suddenly turned” toward the PLA fighter and caused the collision. The United States, however, asserted that the U.S. aircraft was on autopilot. It maintained that the faster and nimbler F-8 bumped into the EP-3’s wing while conducting an aggressive and unsafe intercept. The PLA fighter crashed, killing the pilot. The U.S. aircraft was forced to make an emergency landing at Lingshui airfield on Hainan. Despite the White House’s attempts to contact the Chinese leadership via hotline, Beijing initially refused to communicate with Washington. The PLA held the 24 crewmembers for 11 days before finally releasing them. China also rejected to the U.S. Navy’s request to fly the repaired aircraft home. Instead, it was disassembled and shipped back to the United States in a box.¹⁰ In the months after the incident, Beijing agreed to stop harassing U.S. aircraft by conducting its intercepts at a safer distance. U.S. resources were also soon diverted to the Middle East and Global War on Terror.¹¹

The salience of these incidents has reemerged in recent years as Chinese capabilities have grown and the United States has reoriented its strategic focus to Asia. In addition to the 2014 “Top Gun” incident discussed here, on September 15, 2015, two PLA JH-7 fighter jets engaged in an “unsafe” intercept of a U.S. Air Force RC-135 surveillance aircraft that was operating 80 miles off China’s coast in the Yellow Sea. U.S. officials said it did not amount to a “near collision,” but the two jets had come within 500 feet of the nose of the RC-135. Pentagon spokesperson Peter Cook said, however, that the intercept “was not similar” to one described here and did not call it “provocative.”¹²

1. See Peter Dutton, ed., *Military Activities in the EEZ* (Newport, RI: China Maritime Studies Institute, U.S. Naval War College, 2010).

2. David Brunnstrom, “Carter Says U.S. Will Sail, Fly, and Operate Wherever International Law Allows,” Reuters, October 13, 2015.

3. “United Nations Convention on the Law of the Sea,” December 10, 1982, p. 27.

4. See David F. Winkler, *Cold War at Sea: High-Sea Confrontations between the United States and the Soviet Union* (Annapolis, MD: Naval Institute Press, 2000), 8–26.

5. Thomas E. Ricks, “Anger over Flights Grew in Past Year,” *Washington Post*, April 7, 2001; “New Round of Nixon Papers Show Spy Plane Concerns Not New,” CNN, April 6, 2001.

6. See William Burr, ed., “Reconnaissance Flights and Sino-American Relations: Policy Developments and a Hainan Island Incident, 1969–1970,” National Security Archive Electronic Briefing Book No. 41, April 9, 2001; “New Round of Nixon Papers Show Spy Plane Concerns Not New,” CNN; Wu Zurong, “Potential Dangers Posed by the U.S. Military’s Close-In Reconnaissance,” *China-U.S. Focus*, June 29, 2016.

7. Ricks, “Anger over Flights Grew in Past Year.”

8. Dennis C. Blair and David V. Bonfili, “The April 2001 EP-3 Incident: The U.S. Point of View,” in *Managing Sino-American Crises: Case Studies and Analysis*, ed. Michael D. Swaine, Zhang Tuosheng, and Danielle F. S. Cohen (Washington, DC: Carnegie Endowment for International Peace, 2006), 378.

9. Shirley A. Kan et al., *China-U.S. Aircraft Collision Incident of April 2001: Assessments and Policy Implications*, CRS Report RL30946 (Washington, DC: Congressional Research Service, 2001), 14.

10. *Ibid.*

11. Michael Ellison, “China Eases Spy Plane Surveillance,” *The Guardian*, July 29, 2001; author conversation with Robert M. Gates, Williamsburg, VA, 2013.

12. Gordon Lubold, “Two Chinese Fighters Make ‘Unsafe’ Interception with U.S. Spy Plane,” *Wall Street Journal*, September 22, 2014; Sam LaGrone, “Chinese Aircraft May Have Conducted an Unsafe Intercept of U.S. Surveillance Plane Last Week,” *USNI News*, September 22, 2014.

Timeline

	China	United States
Phase I: Chinese fighter conducts an aggressive intercept		
Mar–May 2014	Same PLA unit in Hainan oversees several less aggressive intercepts	Lodges diplomatic complaint
Aug 19	Armed J-11B fighter jet intercepts P-8	P-8 conducts reconnaissance 135 miles off Hainan Province
	Passes underneath U.S. aircraft 3 times, flies alongside at less than 20 feet, barrel rolls over, flies past nose	Maintains course
Phase II: United States publicizes behavior and lodges complaints		
Aug 22		Releases information about the incident as well as past aggressive intercepts
Phase III: Beijing denies U.S. account, demands end to “close-in” surveillance		
Aug 23	Claims intercept was professional, root cause is U.S. reconnaissance missions	
Aug 26–27	Working-level defense dialogue about incident and rules for air and sea intercepts	
		Asserts legitimacy of routine operations
Aug 28	Threatens to establish new ADIZ in South China Sea	
Phase IV: Tense dialogue over incident and U.S. surveillance		
Sep 7–9	Leaders meet in Beijing, exchange positions on U.S. reconnaissance operations	
		Signals resolve to continue flights
Phase V: United States and China reach new agreements on air and sea encounters		
Nov 10–12	Sign bilateral Notification of Major Military Activities, and Rules of Behavior for the Safety of Air and Maritime Encounters	

Incident Details

Phase I: Chinese Fighter Conducts Aggressive Intercept

On August 19, 2014, a U.S. Navy P-8A Poseidon maritime patrol aircraft was operating approximately 135 miles east of Hainan Island in the South China Sea (Figure 3.15).¹ This flight probably originated in Okinawa or the Philippines, the latter of which has hosted rotational deployments of U.S. P-3Cs since 2012 and P-8s since 2014 on the condition that “real-time information” be shared with Manila. It is also possible the P-8 took off from a Royal Malaysian Air Force base in Labuan or Sabah.² Both Chinese and U.S. media speculated that the target of the surveillance mission was the Chinese ballistic missile submarine base at Sanya, Hainan Province.³

According to the United States’ official version of events, an armed Chinese Shenyang J-11B air superiority fighter (no. 24) approached the P-8 while it was conducting a “routine mission” in international airspace.⁴ It proceeded to engage in a series of actions to intimidate the U.S. crew. The J-11 began its intercept by passing underneath the P-8 three times at a range of only 100 feet. It then flew directly alongside it—so close that the wingtips of the Chinese and U.S. aircraft were less than 20 feet apart—before stabilizing and performing a barrel roll over the top of the U.S. aircraft. This “Top Gun–style” maneuver took the J-11 within 45 feet of the P-8. The J-11 also “flashed past the nose” of the P-8 at a 90-degree angle, exposing the weapons load on the aircraft’s underside to the U.S. pilots.⁵ One U.S. defense official characterized this encounter as a contest between a “school bus and a Ferrari,” with the J-11 “being the fast sports car doing circles around the lumbering Navy jet.” P-8As are capable of carrying torpedoes and cruise missiles but have no air-to-air capability.⁶ Personnel onboard the P-8 captured several photos of the Chinese fighter jet, which the Pentagon later released to reporters.⁷

Phase II: United States Publicizes Behavior and Lodges Complaints

The United States kept silent about the incident for three days. Defense Department sources stated that they were trying to give Beijing a chance to apologize for its pilot’s behavior. When Chinese

1. Dan Lamothe, “What It Looks Like When a Chinese Fighter Jet Buzzes Your Plane,” *Washington Post*, August 22, 2014; “China Urges U.S. to Stop Close-in Surveillance,” *Xinhua*, August 23, 2014.

2. See “U.S. Navy Says It Has Been Flying P-8 Reconnaissance Planes out of Philippines,” *Japan Times*, February 27, 2015; “U.S. Says Malaysia Offers to Host Spy Planes That Irk China,” *Reuters*, September 12, 2014; Trefor Moss, “Malaysia Offers to Host U.S. Navy Aircraft,” *Wall Street Journal*, September 12, 2014; Melissa Chi, “Putrajaya Denies Letting U.S. Use Sabah for Spy Plane Missions,” *Malay Mail Online*, October 9, 2014.

3. “PLA Scholar Threatens to Give U.S. a Taste of Its Own Recon Medicine,” *Want China Times*, August 25, 2014; Greg Torode and Megha Rajagopalan, “Chinese Interceptions of U.S. Military Planes Could Intensify Due to Submarine Base,” *Reuters*, August 28, 2014.

4. Lamothe, “What It Looks Like.”

5. Craig Whitlock, “Pentagon: China Tried to Block U.S. Military Jet in Dangerous Mid-Air Intercept,” *Washington Post*, August 22, 2014; Cohen, “‘Aggressive’ Chinese Fighter Jet.”

6. Gordon Lubold, “Call Sign ‘Rogue’: Pentagon Says One Chinese Commander Responsible for Spate of Air Confrontations,” *Foreign Policy*, August 22, 2014.

7. Lamothe, “What It Looks Like.”

Figure 3.15. Approximate Location of the “Top Gun” Incident



diplomatic and military officials offered no explanation, however, the United States decided to “name and shame” the aggressive actions of Chinese forces.

After filing a formal complaint with Chinese authorities, on August 22 spokespersons for the White House and the Pentagon revealed the incident to the public. In a public press conference, Pentagon press secretary Rear Admiral John Kirby gave a detailed description of the U.S. account of this “dangerous intercept.” Kirby emphasized that the P-8 was operating legally in international airspace and that China’s “pretty aggressive, very unprofessional” behavior had threatened the lives of the aircrew. The Pentagon accused Beijing of violating customary international law.⁸ Kirby speculated that the PLA’s “message” was to prevent “the flight of this patrol aircraft.” He called this “unacceptable” and said these kinds of provocations undermined recent efforts to build strong military-to-military relations between the two countries. The Defense Department also reminded China that, under the UN Convention on the Law of the Sea, coastal nations must give “due regard for the rights and duties of other states, including in the exercise” of freedom of navigation and overflight.⁹

8. Ibid. See also Cohen, “‘Aggressive’ Chinese Fighter Jet.”

9. Whitlock, “Pentagon: China Tried to Block U.S. Military Jet”; Lubold, “Call Sign ‘Rogue.’”

The Pentagon also decided to release previously undisclosed information about other Chinese intercepts in the South China Sea. According to U.S. defense officials speaking on background, this J-11 belonged to one particular PLA unit in Hainan that was frequently involved in risky intercepts of U.S. military aircraft. These sources expressed concern that “the intercepting crews from that unit are acting aggressively and demonstrating a lack of regard for the safety of our aircrews,” perhaps at the instigation of their Hainan commander. Similar, if less provocative, intercepts were said to have occurred in March, April, and May of that year. U.S. diplomats had submitted a note verbale in protest following the most recent intercept in May 2014. These Pentagon officials said they believed the Hainan commander may have been acting with either the tacit consent or encouragement of Beijing. One U.S. official cracked, “He’ll either be fired, killed, or promoted.” These officials did not identify the specific PLA unit they suspected was responsible, nor whether the jet belonged to the PLA Air Force or the PLA Navy. The PLA Air Force candidate in Hainan would be Foluo Northeast Air Base, and the PLA Navy candidates would be Jialaishi Air Base, Sanya Air Base, and Lingshui Air Base. Lingshui was the airfield responsible the 2001 EP-3 incident.¹⁰

Other U.S. defense sources also told the press that PLA intercepts were frequent but not always disclosed to the U.S. public. This “pattern” of tense maritime encounters was seen as “an indication of growing annoyance by the PLA about our presence.”¹¹ Deputy National Security Adviser Ben Rhodes called the incident “a deeply concerning provocation.” He voiced the United States’ “objection to this type of action,” which “violated the spirit” of “constructive military-to-military ties.”¹²

Phase III: China Denies U.S. Account, Demands End to “Close-in” Surveillance

Chinese officials promptly responded to the United States’ accusations. On August 23, Chinese defense ministry spokesperson Senior Colonel Yang Yujun stated that the U.S. version of events was inaccurate. Unlike the 2009 *Impeccable* incident, this time Beijing rejected Washington’s position on the actual facts of the incident. Yang said that U.S. criticism of the PLA pilot’s behavior was “groundless.” The Chinese J-11 had simply made a “regular identification and verification” in a “professional [intercept] operation” to respond to the P-8. Yang denied that the fighter jet made any Top Gun–like maneuvers, saying the pilot “kept the jet within a safe distance [of] the U.S. aircraft.” As for the “root” cause, the Ministry of National Defense blamed “U.S. massive and frequent close-in surveillance of China” for this incident and past accidents, which “endanger[ed] the two sides’ air and marine security.” Beijing urged Washington to “abide by international law and international practice” and “respect” China’s concerns by—among other demands—deciding to “reduce and finally stop close-in surveillance of China.”¹³

State media also carried articles critical of U.S. surveillance operations near the Chinese coast. Rear Admiral Zhang Zhaozhong, a PLA National Defense University professor, called on Beijing to fight back against U.S. close-in operations. He suggested the PLA “fly even closer” to U.S. surveillance

10. Lubold, “Call Sign ‘Rogue’”; Torode and Rajagopalan, “Chinese Interceptions of U.S. Military Planes.”

11. Charles Hutzler, “Beijing Denies Fighter Flew Dangerously Close to U.S. Patrol Plane,” *Wall Street Journal*, August 23, 2014.

12. Cohen, “‘Aggressive’ Chinese Fighter Jet.”

13. “China Urges U.S. to Stop Close-in Surveillance,” *Xinhua*.

missions or build an air base somewhere in the Pacific to harass the United States' own territory with similar operations. Zhang argued that although U.S. military aircraft have a right to innocent passage through China's exclusive economic zone, conducting surveillance threatens China's national security and violates both international and domestic law. *Global Times* also quoted an aviation expert who suggested that a PLA intercept of "nine meters" was not close enough to be dangerous. In addition, the article claimed the United States had prompted the intercept when the P-8 "dropped a sonar buoy from its undercarriage." Retired PLA Rear Admiral Yin Zhuo also asserted that the U.S. flights were "dangerous and provocative" and a PLA senior colonel said the intercepts would continue.¹⁴

On August 26 and 27, U.S. and Chinese defense officials met in Washington for prescheduled talks on the rules of behavior for air and sea encounters. A senior U.S. defense official said off the record that the talks included "a working group to discuss existing multilateral standards of behavior for air and maritime activities." U.S. officials confirmed to media sources that the P-8 incident was discussed.¹⁵ Several influential Chinese security analysts observed that Beijing probably used the meeting as an opportunity to push back against U.S. military activities in China's exclusive economic zones.¹⁶

At the same time as these talks, U.S. officials publicly responded to Chinese accusations and statements. The State Department said U.S. surveillance missions were conducted "in a transparent manner" and that the United States makes "other countries, including China, aware of our plans." In a press briefing, Rear Admiral Kirby took "deep issue with [the Ministry of National Defense's] characterization of the incident" as safe and professional. Asked what Washington made of Beijing's request that the U.S. military cease close-in surveillance missions in the South and East China Sea, Kirby affirmed that "the United States is a Pacific power" that would "continue to fly in international airspace the way we've been, just like we're going to continue to sail our ships in international waters the way we've been."¹⁷ Commenting on the talks, *China Daily* cited Chinese defense ministry sources guaranteeing that "no major progress [on a code of conduct covering international waters and airspace] will be made until Washington stops conducting airspace espionage near Chinese territory."¹⁸

The Chinese defense ministry held a second press conference on the incident on August 28. Spokesperson Yang provided a lengthy criticism of the U.S. position. The basic divergence between the two countries, Yang emphasized, was that Washington focused on "technical issues" like

14. Chen Weihua, "U.S. Surveillance near Chinese Coast a Growing Concern," *China Daily USA*, August 25, 2014; "PLA Scholar Threatens," *Want China Times*; Torode and Rajagopalan, "Chinese Interceptions of U.S. Military Planes"; Bill Gertz, "Pentagon: No Plan to Reduce Spy Flights," *Washington Free Beacon*, August 26, 2014.

15. Phil Stewart and David Brunnstrom, "U.S., China Officials Meet at Pentagon after Jet Intercept," Reuters, August 26, 2014; William Gallo, "Analysts: More U.S.-China Military Cooperation Needed," *VOA News*, August 28, 2014.

16. Teddy Ng, "Beijing to Talk Tough to U.S. on Military Encounters," *South China Morning Post*, August 27, 2014.

17. Stewart and Brunnstrom, "U.S., China Officials Meet at Pentagon"; U.S. Department of Defense, "Department of Defense Press Briefing by Rear Adm. Kirby in the Pentagon Briefing Room" (press conference, Arlington, VA, August 26, 2014).

18. Zhang Yunbi and Chen Weihua, "China and U.S. in Talks on Code of Conduct," *China Daily USA*, August 27, 2014.

the distance between aircraft while ignoring the “policy issue” of frequent U.S. close-in surveillance missions provoking the confrontation. Yang labeled these policies “the very root cause.” In fact, Yang disputed the U.S. labeling of the event as an “interception incident,” instead arguing it would be more accurate to describe it as a “U.S. aircraft close-in reconnaissance incident.” He urged Washington to live up to President Xi Jinping’s “new model of China-U.S. major country relationship and new model of China-U.S. military-to-military relationships” by taking “concrete measures to decrease the close-in reconnaissance activities against China” and bring them to “a complete stop.” Yang gave no answer when questioned about what distance China defines as inappropriate “close-in surveillance.” He also levied a further criticism that the U.S. military “often showed up without being invited or even broke in[to] our exercise or training zones which have been announced in advance”—probably a reference to the December 2013 USS *Cowpens* incident. Yang also rejected the State Department’s claims about U.S. transparency, saying, “There has not been any notification to the Chinese side on the close-in reconnaissance activities against China by the U.S. military ships and aircraft.” Moreover, in Beijing’s view, notifying China about the activity would not “change its nature as being wrong.”¹⁹

The Ministry of National Defense also made several warnings about possible Chinese policy reactions to continued U.S. surveillance operations. China would be “strictly monitoring these reconnaissance activities” and “according to different situations” would “adopt different measures to make sure we safeguard the air and sea security of our country.” Yang even held out the possibility of China establishing an ADIZ in the South China Sea. Whether and when Beijing might decide to do so would “depend on the threat we face in the air and also on the assessment of the degree of the threat.”²⁰

Phase IV: Tense Dialogue over Incident and U.S. Surveillance

The U.S. national security adviser, Susan Rice, met with senior Chinese leaders in Beijing from September 7 to 9. The purpose of the trip was to lay the groundwork for President Obama’s November visit to China. Anonymous White House sources said she demanded from several officials that Beijing cease its “dangerous intercepts.” In public remarks on September 7, Rice made a thinly veiled reference to the issue when she noted, “We certainly need to avoid any incidents that could complicate the relationship.” Beijing, on the other hand, repeated its demands about U.S. surveillance. General Fan Changlong, the vice chairman of the Central Military Commission, told Rice that the United States must reduce and ultimately cease missions near Chinese territory.²¹ Speaking at an event in Washington at the same time, U.S. chief of naval operations Admiral Jonathan Greenert reiterated that the United States had “no intention” of ending surveillance missions. A senior White House official traveling with Rice said Chinese officials “understood the risks” of aggressively intercepting U.S. reconnaissance flights.²²

19. PRC MND, “Defense Ministry’s Regular Press Conference on August 28, 2014” (press conference, Beijing, August 28, 2014).

20. Ibid.

21. Megha Rajagopalan, “U.S., China Security Leaders Spar over Jet Maneuvers,” Reuters, September 10, 2014; “Senior Official Calls on U.S., China to Control Military Disputes,” Xinhua, September 9, 2014.

22. Sydney J. Freedberg, “Chinese Reporters Press U.S. Navy Chief: P-8s, Go Home!,” *Breaking Defense*, September 8, 2014; Janes Perlez, “China Asks U.S. to End Close-up Military Surveillance,” *New York Times*, September 9, 2014.

In a Pentagon press conference on September 25, Commander of Pacific Command Admiral Samuel Locklear suggested tensions over the incident had largely dissipated. Calling it an “outlier,” Admiral Locklear emphasized that the “vast majority of interactions between U.S. and . . . Chinese either ships or airplanes are done safely and professionally.” Locklear said Beijing and Washington had held “a pretty direct dialogue” about the P-8 intercept. He also argued that the fact that another similar confrontation had not occurred in the past month was evidence of the success of this dialogue and the general development of military-to-military consultative mechanisms. In the final analysis, he attributed increased encounters at sea to the simple “mathematics” of the PLA growing larger and more active over time.²³

Phase V: United States and China Reach New Agreements on Air and Sea Encounters

In the wake of the incident, U.S. and Chinese leaders agreed to two military-to-military confidence-building mechanisms during President Obama’s November 10–12 state visit to China. The first agreement was on the Notification of Major Military Activities and the second on Rules of Behavior for the Safety of Air and Maritime Encounters, with annexes that included terms of reference and rules of behavior for encounters between naval surface vessels. U.S. and Chinese officials did not complete an annex on air-to-air encounters at the time, but the United States said it would prioritize the development of such an agreement. Commenting on the agreements, *The Wall Street Journal* reported that PLA officials had privately assured U.S. officials that close encounters like the August 19 incident would not happen again.²⁴ During President Xi Jinping’s state visit to Washington in September 2015, the United States and China finally signed this annex on rules of behavior for air-to-air military incidents.²⁵

Conclusions

First, the United States and China continue to clash over the permissibility of surveillance operations in the waters of and airspace above China’s exclusive economic zone. Unlike in the *Impeccable* incident, however, this time Beijing also rejected the United States’ factual account of the details of the intercept, much as it did following the 2001 EP-3 incident, when the PLA relayed inaccurate information about the professionalism of Chinese forces to civilian leaders in Beijing. In 2014, this factual dispute may again have been a symptom of China’s poor internal crisis management mechanisms.

Second, the degree to which Beijing authorized the actions of the Chinese pilot is unclear. There are three conceivable levels of intentionality to a given intercept: actions by individual operators, orders by local commanders, or instructions by the central leadership in Beijing. If the central leadership wants to increase pressure on U.S. surveillance operations, it is also possible that their orders are very general and local commanders in turn authorize operations or tactics at their own

23. U.S. Department of Defense, “Press Briefing on U.S. Pacific Command’s Area of Responsibility by Admiral Locklear” (September 25, 2014).

24. White House, “Fact Sheet: President Obama’s Visit to China,” press release, November 11, 2014; Carol E. Lee, Jeremy Page, and William Mauldin, “U.S., China Reach New Climate, Military Deals,” *Wall Street Journal*, November 12, 2014.

25. Phil Stewart, “U.S., China Agree on Rules for Air-to-Air Military Encounters,” Reuters, September 25, 2015.

discretion. There may also be times when rogue commanders or operators seize the initiative themselves, as could have been the case in this 2014 incident. However, limited intelligence and time constraints make it difficult to judge intentions as any given incident unfolds. This complicates U.S. decisionmaking about the appropriate response, increasing the potential for miscalculation.

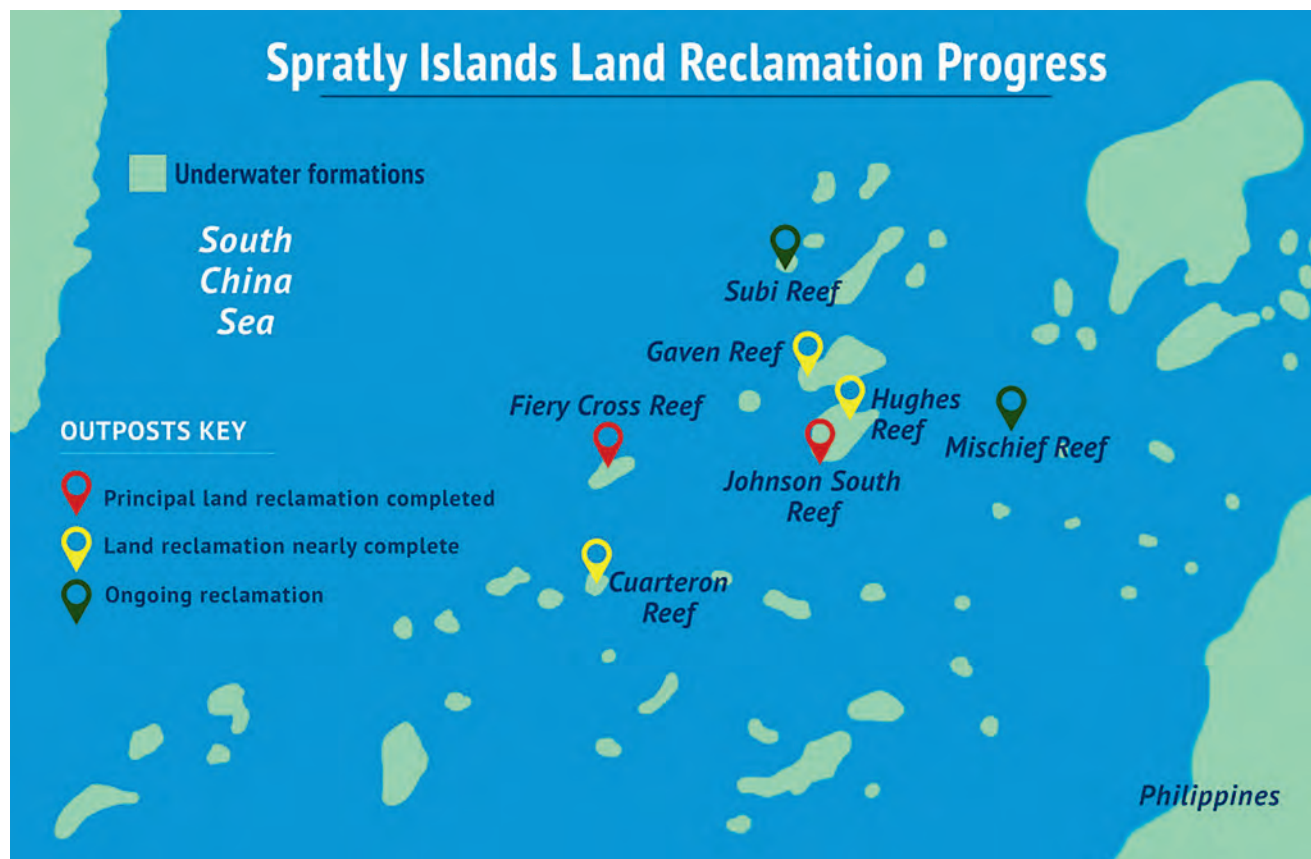
Third, in contrast to the *Impeccable* incident, the United States did not respond to the aggressive Chinese intercept by withdrawing its aircraft and then sending it back with an armed escort. This may be partly due to the logistical difficulties of sustaining short-range fighter aircraft far from U.S. bases. More important, the United States apparently assessed that the seriousness of the incident was below a threshold that would demand an escalatory military response. Believing the intercept was not directed by Beijing, leaders in Washington chose a more restrained response than they had in 2009.

Fourth, Chinese pressure eventually subsided after a risky incident between U.S. and Chinese forces demonstrated the potential for inadvertent escalation. The United States' firm diplomatic response probably had a deterrent effect that helped decrease tensions. Other factors include the possibility that Beijing felt it had adequately communicated its own resolve over U.S. surveillance operations, that it reined in a rogue local commander, or that it perceived a need to protect its military-to-military relationship with the United States at a time when its general security environment was deteriorating.

Finally, it remains to be seen whether Beijing and Washington can sustain commitment to new rules of the road for air and sea encounters. In the face of China's continued military modernization, a perception of weakening U.S. resolve may tempt more tests of Washington's commitment. Isolated incidents may be unlikely to spark a serious conflict, but repeated confrontations would undermine recent confidence-building measures and risk a downward spiral of provocations and shows of force.

CASE 9: SPRATLY ISLANDS LAND RECLAMATION (2013–)

Figure 3.16. Chinese Land Reclamation and Construction Projects



Note: Circa June 2015.

Overview

In late 2013, China launched a massive campaign of land reclamation and construction on the seven reefs it already occupied in the Spratly Islands. Dredgers, barges, and work crews began expanding four Chinese outposts between December 2013 and May 2014. After exposing Beijing's activities, the Philippines and the United States called for a universal moratorium on reclamation, construction, and other coercive actions in the region. The proposal, however, fell on deaf ears. Vietnam was engaged in numerous, albeit smaller, garrison upgrades in the Spratlys at the time. The rest of ASEAN was unwilling to take a public stance against Beijing. Following the failure of this proposed construction freeze, China accelerated the pace of reclamation and broke ground on its three largest projects between August 2014 and January 2015. International criticism grew as their enormous scale became clear. When ASEAN issued its first critical joint statement, Beijing pivoted rhetorically to underscore its new bases' civilian functions. Between June and September 2015, Chinese leaders then announced the end of large-scale land reclamation and declared that they had no intention of militarizing the Spratlys. Yet the construction of dual-use facilities continued. The U.S. Navy restarted a freedom of navigation program in October 2015 near some of the reclaimed reefs. The PLA Navy shadowed and protested these naval patrols but did not attempt to interfere with them directly.

BOX 3.9. Background on Outpost Improvements in the Spratly Islands

The Spratly Islands (known as the Nansha, Kalayaan, or Truong Sa Islands) are an archipelago of hundreds of small islands, shoals, cays, and reefs in the South China Sea. China, Taiwan, and Vietnam claim sovereignty and jurisdiction over the entire chain and its surrounding waters while the Philippines, Malaysia, and Brunei assert rights to smaller portions.¹ The islands have no indigenous population, so states have exerted control in the Spratlys through the construction of military outposts. These garrisons help claimants establish presence, assert claims, and monitor the activities of rivals. Accounting methods differ, but by one measure Vietnam currently occupies 27 different features, the Philippines 9, China 7, Malaysia 5, and Taiwan one feature.²

Although navigators, fishermen, and others have frequented the Spratlys since antiquity, there is little evidence of any state exercising effective administration over the islands until the twentieth century. French colonial authorities in Vietnam briefly seized and annexed several large features in the early 1930s. Japanese troops evicted and replaced this occupation in 1939 during the Second World War. Following Tokyo's defeat in 1945, the United States initially aimed to place the islands of the South China Sea under United Nations trusteeship or perhaps even support the Republic of China's claims to them. However, France's enduring interest in the region ultimately led Washington to avoid taking a clear position.³ As a result, Japan was forced to renounce its claims at the 1951 San Francisco Peace Conference. The treaty failed to name a sovereign successor for the Spratly and Paracel Islands.⁴

In 1956, a Filipino businessman announced he was annexing much of the archipelago, driving Taiwan to permanently garrison the largest island in the group, Itu Aba.⁵ Other claimants followed suit with several waves of occupation. By 1978, the Philippines had garrisons on five different islets. Malaysia occupied three features in 1983 and 1986, and Vietnam garrisoned around 21 by 1988. That year, China occupied several features in the Spratlys for the first time, sparking a brief naval clash with Vietnam. Yet by the time Beijing arrived on the scene, all of the largest islands, shoals, and cays had already been seized by other disputants. China was only able to take six previously unoccupied semi-submerged coral reefs and rocks. Vietnam garrisoned another six features between 1989 and 1991, and China seized Mischief Reef in 1994. Finally, in 1999 Malaysia took two reefs and the Philippines occupied Second Thomas Shoal.⁶

After years of negotiations, China and the Association of Southeast Asian Nations finally signed the Declaration on the Conduct of Parties in the South China Sea in 2002. This legally nonbinding document urges all disputants to "exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited . . . features."⁷ This was generally interpreted as a commitment to maintain the status quo, but it does not explicitly preclude outpost upgrades like land reclamation, construction, or military emplacements. Most claimants have reclaimed land on features they occupy in Spratlys, with Taiwan, Vietnam, and now China having done so since 2002. All claimants have engaged in construction since 2002.

The Philippines reclaimed some 14 acres of new land in the 1970s and 1980s to support a runway extension at Thitu Island. In 2002, over 100 Filipino settlers established a civilian colony there with state support. At some point since, the Philippines built new structures on the previously

uninhabited Loaita Cay/Loaita Nan and possibly another Spratlys feature. Prior to this, Loaita Cay/Loaita Nan had only been monitored by a “virtual garrison” on nearby Loaita Island. In 2013, Manila constructed new support buildings at four outposts and cleared a road around Thitu. Malaysia also completed its modernization of Layang-Layang Airport in 2013 at Swallow Reef. Kuala Lumpur then refurbished two air hangars and added a new building and water storage facility in 2013. In total, Malaysia has reclaimed about 70 acres, mostly while constructing facilities on Swallow Reef in the 1980s.⁸

Vietnam began modernizing its own runway in 2004 on Spratly Island (“Big Spratly”). Between 2011 and 2015, Hanoi reclaimed five acres at Sand Cay and 16 acres at West Reef. New facilities and defensive structures were also added. These reportedly included artillery and shoulder-fired anti-aircraft missiles. From 2009 to 2014, radar and communications equipment were added at 15 outposts, quality-of-life improvements at 19, point defenses at 18, new helipads at 6, and civilian infrastructure improvements at 5 outposts. By 2016, Vietnam had created 120 acres of new land at 10 different features in the Spratlys. This includes Cornwallis South Reef, which had been fully submerged and is beyond Vietnam’s continental shelf claim. For this reason, the U.S. Department of Defense called Vietnam “the most active claimant in terms of both outpost upgrades and land reclamation” prior to China’s recent campaign of island building.⁹

Taiwan also began constructing a new airfield on Itu Aba in 2006 (completed in 2008). In 2013, Taipei installed 40-millimeter cannons and 120-millimeter mortars while also adding eight new acres of reclaimed land. This construction supported a \$100 million port capable of accommodating large surface combatants and coast guard vessels.¹⁰ Until its recent land reclamation campaign, Beijing had only made fairly limited improvements to its seven features, occupying them between 1988 and 1994. This included some multistory facilities, communications and radar towers, piers, and defense emplacements. Fiery Cross Reef functioned as a logistical base for supplying the other garrisons, and in 2013 vessels from the PLA Navy and China Coast Guard also began operating more frequently from Mischief Reef. China then administered less landmass than any claimant other than Brunei. It was also the only party lacking an airstrip in the Spratlys despite the 500 miles between China’s Hainan Province and the island group.¹¹

China’s large-scale land reclamation has complex legal implications. In July 2016, a specially constituted arbitral tribunal ruled that three of the seven features China occupies (Hughes Reef, Mischief Reef, and Subi Reef) were naturally above water only at low tide, and the other four (Johnson South Reef, Fiery Cross Reef, Gaven Reef, and Cuarteron Reef) were mere “rocks” not entitled to significant maritime rights.¹² Under the 1982 UN Convention on the Law of the Sea, those three low-tide elevations do not generate entitlements to a territorial sea, exclusive economic zone, or continental shelf. There is an exception for cases like Subi and Hughes Reef where a low-tide elevation is located within a different feature’s territorial waters. Unlike full islands, China’s four rock features only generate rights to a territorial sea because they “cannot sustain human habitation or economic life of their own.” Importantly, human construction cannot upgrade the legal status of land features and their attendant entitlements to maritime rights. Wholly artificial islands like Mischief are only entitled to a 500-meter “safety zone.”¹³

(continued)

BOX 3.9. (Continued)

To date, China has declined to clarify many of its South China Sea claims in the specific language of the Law of the Sea regime. Although Beijing has confirmed that it believes the Spratlys are entitled to territorial waters, an exclusive economic zone, and a continental shelf, it has yet to issue any baselines for the archipelago. China also frequently invokes “historical rights” in the South China Sea that have no clear basis in 1982 Convention.¹⁴

1. For an analysis of these claims, see Raul Pedrozo, *China versus Vietnam: An Analysis of the Competing Claims in the South China Sea* (Arlington, VA: CNA Corporation, 2014); J. Ashley Roach, *Malaysia and Brunei: An Analysis of Their Claims in the South China Sea* (Arlington, VA: CNA Corporation, 2014); Mark E. Rosen, *Philippine Claims in the South China Sea: A Legal Analysis* (Arlington, VA: CNA Corporation, 2014).

2. U.S. Department of Defense, *Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment* (Arlington, VA: DOD, 2015), 16; Alexander L. Vuving, “South China Sea: Who Occupies What in the Spratlys?,” *Diplomat*, May 6, 2016.

3. Bill Hayton, *The South China Sea: The Struggle for Power in Asia* (New Haven: Yale University Press, 2014), 53–54, 57.

4. “Treaty of Peace with Japan,” September 8, 1951, p. 48–52.

5. Rodolfo C. Severino, “The Philippines and the South China Sea,” in *Entering Uncharted Waters?: ASEAN and the South China Sea*, ed. Pavin Chachavalpongpun (Singapore: Institute for Southeast Asian Studies, 2014), 175.

6. Vuving, “South China Sea: Who Occupies What?”; M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China’s Territorial Disputes* (Princeton, NJ: Princeton University Press, 2008), 287–288, 296–298.

7. Association of Southeast Asian Nations and the People’s Republic of China, *Declaration on the Conduct of Parties in the South China Sea*, November 5, 2002.

8. U.S. DOD, *Asia-Pacific Maritime Security Strategy*, 16; John M. Glionna, “Squatters in Paradise Says It’s Job from Hell,” *Los Angeles Times*, July 26, 2009; Vuving, “South China Sea: Who Occupies What?”; Michael S. Chase and Ben Purser, “Fiery Cross Reef: Why China’s New South China Sea Airstrip Matters,” *National Interest*, August 5, 2015.

9. Chase and Purser, “Fiery Cross Reef”; “Airpower in the South China Sea,” Asia Maritime Transparency Initiative, July 29, 2015; “Sandcastles of Their Own: Vietnamese Expansion in the Spratly Islands,” Asia Maritime Transparency Initiative, May 2015; “Vietnam’s Island Building: Double Standard or Drop in the Bucket?,” Asia Maritime Transparency Initiative, May 11, 2016; “Washed Away,” Asia Maritime Transparency Initiative, February 17, 2016; U.S. DOD, *Asia-Pacific Maritime Security Strategy*, 15.

10. Chase and Purser, “Fiery Cross Reef”; U.S. DOD, *Asia-Pacific Maritime Security Strategy*, 15–16; “As Taiwan Beefs Up Prized South China Sea Outpost, Barely a Peep from China,” *Reuters*, May 25, 2014.

11. “AMTI Issue #8: Island Reclamation and Construction in the South China Sea,” Asia Maritime Transparency Initiative, February 17, 2015; “A Fiery Cross to Bear,” Asia Maritime Transparency Initiative, April 11, 2015; Alexis Romero, “China Boosts Presence near Reef,” *Philippine Star*, July 30, 2013; “Airpower in the South China Sea,” Asia Maritime Transparency Initiative.

12. Permanent Court of Arbitration, *Award*, PCA Case No. 2013-19 (July 12, 2016), 148–173, 259–260.

13. “United Nations Convention on the Law of the Sea,” December 10, 1982, art. 121.

14. Permanent Mission of the People’s Republic of China to the United Nations, note verbale CML/8/2011, April 14, 2011.

Timeline

	China	Region	United States
Phase I: China begins land reclamation operations			
Sep 2013	Dredgers arrive in area		
Dec	Starts at Johnson South	Monitor activities	
Mar 2014	Begins at Hughes and Cuarteron		
Phase II: Moratorium proposals fail to gain traction			
May	Starts at Gaven	Manila raises with region, releases imagery	Raises issue at Shangri-La Dialogue
Jun		Philippines calls for freeze by all claimants	
Jul–Aug	Rejects proposals	ASEAN snubs proposals	Pushes for moratorium
Phase III: Beijing starts dredging three largest bases			
Aug	Begins at Fiery Cross		
Jan 2015	Starts at Subi and Mischief	ASEAN speaks out against reclamation	
Phase IV: Engages diplomatically as primary reclamation ends			
Apr	Gives detailed explanation of activities	ASEAN issues 1st critical joint statement	
May	Reportedly deploys mobile artillery		Hosts media for reconnaissance flight
Jun	End of dredging, but not construction		
Sep	Pledges no intention to militarize	United States, Australia issue critical joint statement	
Phase V: U.S. naval patrols target Chinese outposts			
Oct	Shadows, issues protests	Varying degrees of regional support	Patrols Subi
May	Shadows, scrambles fighters		Patrols Fiery Cross

Incident Details

Phase I: China Begins Land Reclamation Operations

In 2012, the China State Shipbuilding Corporation, one of China's two largest naval architecture conglomerates, released provisional templates for the construction of artificial islands in the South China Sea. The state contractor published three-dimensional computer-generated imagery on its website, but later took the images down because they were "too sensitive."¹ The plans received no media coverage at the time; they resurfaced in 2014 after China's land reclamation activities began to gain international coverage. These blueprints depicted a low-lying manmade island built atop a submerged coral reef. It featured a fully functioning runway, small port, fuel and water storage facilities, floating work platforms, wind turbines, greenhouses, paved roads, personal cars, living quarters, and transplanted vegetation. Chinese maritime experts later disclosed that groups had drafted such proposals for several years. Only Beijing's reluctance to "cause too much controversy" up to that time had prevented implementation.²

China commenced land reclamation operations in the Spratly Islands in late 2013. Using marine traffic data collected by ship transponders, observers pinpointed the *Tianjing* dredger's arrival date at Cuarteron Reef as September 9, 2013. Operated by state-owned Tianjin Dredging, a subsidiary of the China Communications Construction Company, the *Tianjing* is a 417-foot-long, self-propelled cutter suction dredger. It was designed by a German engineering firm and Shanghai Jiaotong University and was built by the China Merchants Heavy Industry Yard in Shenzhen between 2008 and 2010. Costing \$130 million per unit, it is the third largest dredger in the world and the largest in Asia. Unlike other conventional dredgers, the *Tianjing* has its own propulsion system, so it does not need to be towed by another vessel. It operates at an extraction rate of 160,000 cubic feet per hour by deploying a rotating cutter head to the seabed to a depth of up to 100 feet and depositing clay, compacted sand, gravel, rocks, and seawater directly ashore through a floating pipeline or into split hopper barges moored alongside.³

The *Tianjing* lingered at Cuarteron Reef from September 9 to September 28 but did not undertake any land reclamation. It was next sighted at Fiery Cross Reef from December 7 to December 14 before arriving at Johnson South Reef on December 17. From December 2013 through March 2014, the dredger operated at Johnson South Reef, which became the first Chinese land reclamation site. The first commercial satellite imagery of these activities was taken on January 22, 2014. Reclamation was already well under way. At the time, the *Tianjing* dredger, a hopper barge,

1. Edward Wong and Jonathan Ansfield, "To Bolster Its Claims, China Plants Islands in Disputed Waters," *New York Times*, June 16, 2014.

2. James Hardy et al., "China Goes All Out with Major Island Building Project in Spratlys," *IHS Jane's Defence Weekly*, June 20, 2014; Camille Diola, "Designs of China's Planned Base on Mabini Reef Surface," *Philippine Star*, June 4, 2014; "China Plans Artificial Island in Disputed Spratlys Chain in South China Sea," *South China Morning Post*, June 7, 2014.

3. Ben Dolven et al., *Chinese Land Reclamation in the South China Sea: Implications and Policy Options*, CRS Report R44072 (Washington, DC: Congressional Research Service, 2015), 18–19; Hardy et al., "China Goes All Out"; Andrew S. Erickson and Austin Strange, "Pandora's Sandbox," *Foreign Affairs*, Snapshot, July 13, 2014; "Vosta LMG Wins Contract for Cutter Suction Dredger," *Sand and Gravel*, October 12, 2007.

and other support vessels were inside the reef while a PLA ship guarded the operation outside the shoal.⁴ On February 25, a Philippine reconnaissance aircraft photographed the dredger piling sand on the reef through a floating pipeline. Later imagery indicates that the *Tianjing* completed its primary land reclamation mission at Johnson South by March 3, having created a new harbor and 27 acres of new land in less than three months.⁵ Other Chinese support vessels began shaping this reclaimed sediment soon afterward.⁶

On March 4, 2014, the *Tianjing* returned to Cuarteron Reef and began land reclamation. Commercial satellite imagery had previously captured large numbers of civilian Chinese fishing vessels at this and other features creating large plumes of sand as they reportedly harvested coral and endangered giant clams, damaging much of the reef in the process. The *Tianjing* left on March 8 but then returned to Cuarteron from April 10 to May 22, creating 61 acres of new land.⁷

After stopping again at Fiery Cross, the *Tianjing* next began operations at Hughes Reef on March 20 (initial work at Hughes Reef may have actually begun two months earlier). Commercial satellite imagery taken on March 28 depicts the dredger and two small support vessels, with a channel having already been cut through the coral reef to support the construction of a larger port complex. The *Tianjing* had just begun dumping sediment near the existing Chinese outpost. Beijing would eventually add 18 acres of new land to what had been a low-tide elevation. By the time the dredger departed on April 3, the Chinese state company had undertaken substantial reclamation activity at three Chinese-held reefs.⁸

Phase II: Moratorium Proposals Fail to Gain Traction

Initial Chinese land reclamation operations took place without public attention. Philippine maritime reconnaissance aircraft had spotted Chinese dredgers at work in March while taking part in international search efforts for missing Malaysia Airlines Flight MH370. Others reports suggest Manila spotted the Chinese reclamation effort at Johnson South Reef as early as December 2013. On April 4, 2014, just one day after the *Tianjing* dredger departed Hughes Reef, Manila filed its first diplomatic protest with Beijing over land reclamation at Johnson South. Philippine officials may not yet have been aware of Chinese activities at Hughes or Cuarteron Reefs, which their note

4. Hardy et al., "China Goes All Out"; U.S. DOD, *Asia-Pacific Maritime Security Strategy*, 16. Imagery dated January 22, 2014 at "Johnson Reef Tracker," Asia Maritime Transparency Initiative.

5. Imagery dated March 6, 2014 at "Johnson Reef Tracker," Asia Maritime Transparency Initiative; Philippine DFA, "China's Reclamation on Mabini Reef," press release, May 15, 2014; Hardy et al., "China Goes All Out"; U.S. DOD, *Annual Report to Congress: 2016*, 15; D. J. Sta. Ana, "China Reclaiming Land in 5 Reefs," *Philippine Star*, June 13, 2014.

6. Imagery dated April 5, 2014 at "Johnson Reef Tracker," Asia Maritime Transparency Initiative.

7. Hardy et al., "China Goes All Out"; imagery dated March 20, 2013 and January 14, 2014 at "Cuarteron Reef Tracker," Asia Maritime Transparency Initiative; imagery dated March 8, 2014 at "Cuarteron Reef Tracker," Asia Maritime Transparency Initiative; U.S. DOD, *Annual Report to Congress: 2016*, 18.

8. Hardy et al., "China Goes All Out"; imagery dated January 26, 2014 and March 28, 2014 at "Hughes Reef Tracker," Asia Maritime Transparency Initiative; U.S. DOD, *Annual Report to Congress: 2016*, 16; Hardy et al., "China Goes All Out."

verbale failed to mention. Beijing rejected the protest and defended its freedom to build on islands and reefs over which it claimed sovereignty.⁹

On May 10, the Philippines formally updated the Association of Southeast Asian Nations on China's activities during the 24th ASEAN Summit in Myanmar. The week prior, the South China Sea Research Forum had posted a dozen photographs of reclamation and construction at Johnson South Reef. These images showed a PLA Navy frigate and landing tank ship guarding the operation.¹⁰ Philippine president Benigno Aquino found an ally at the summit in Vietnamese prime minister Nguyen Tan Dung, whose maritime forces were then in a tense standoff with Beijing over the deployment of an oil rig to disputed waters near the Paracel Islands. The ASEAN foreign ministers' joint statement on the South China Sea, however, reflected the host's close ties to Beijing. It did not name China or single out its land reclamation for criticism.¹¹

Manila then initiated efforts to impose a reputational cost on China for its land reclamation. On May 14, the Philippine Department of Foreign Affairs announced that China had begun significant land reclamation and construction at Johnson South Reef. Foreign Secretary Albert del Rosario suggested the possibility of China building an airstrip there, although the Department of National Defense was skeptical.¹² Government sources estimated that Chinese dredgers had reclaimed 74 acres at Johnson South, nearly three times the actual figure. Manila also released photographs that Philippine surveillance aircraft had taken of Johnson South Reef. The accompanying statement called Chinese actions "destabilizing" as well as a violation of the 2002 China-ASEAN Declaration and international law. The Department of National Defense called on Beijing to "immediately stop . . . provocative acts."¹³ Presuming that China was building new bases "for military purposes," the Department of Foreign Affairs accused Beijing of hypocrisy in criticizing Manila's own efforts to consolidate the Second Thomas Shoal outpost. Finally, a spokesperson from the president's office stated that these revelations reinforced the wisdom of Manila's decision to file its South China Sea arbitration case.¹⁴

The Chinese Ministry of Foreign Affairs confirmed the reports about Johnson South but insisted that "whatever construction China carries out . . . [is] entirely within the scope of China's sovereignty." On May 19, President Aquino reiterated that Chinese land reclamation was a violation of the 2002 China-ASEAN Declaration, but admitted that "this code is not binding, not enforceable."

9. Marlon Ramos and Tarra Quismundo, "China Building Airstrip on Reef in Philippine Waters," *Philippine Daily Inquirer*, May 15, 2014; "Philippines Protests to China over Land Reclamation in Disputed Reef," Associated Press, May 14, 2014.

10. These vessels were the *Ma'anshan* (525)—a 3,900-ton *Jiangkai I*-class frigate—and the *Xuefan Shan* (935)—a *Yuting I*-class tank landing ship. Camille Diola, "Closer Look at the Reclamation, Outpost on Mabini Reef," *Philippine Star*, May 16, 2014; "Alleged South China Sea Reef Construction Is 'Renovation,'" *Global Times*, May 4, 2014.

11. Burgonio, "PH, Vietnam Urge Strong ASEAN Action"; "Philippines Protests to China over Land Reclamation," Associated Press; ASEAN, "ASEAN Foreign Ministers' Statement on the Current Developments."

12. "Philippines Protests to China over Land Reclamation," Associated Press; Keith Bradsher, "Philippines Challenges China over Disputed Atoll," *New York Times*, May 14, 2014.

13. Ramos and Quismundo, "China Building Airstrip"; "Philippines Issues Photos of Chinese 'Building Works' on Disputed Islands," *South China Morning Post*, May 15, 2014; Philippine DFA, "China's Reclamation on Mabini Reef."

14. Paterno Esmaquel II, "Philippines Shows 'Destabilizing' China Moves in Spratlys," *Rappler*, May 15, 2016.

Aquino declared his intention to push for a binding Code of Conduct between ASEAN and China at the earliest possible juncture.¹⁵

China soon commenced reclamation operations at a fourth site. On May 22, the *Tianjing* dredger left Cuarteron Reef and traveled to Gaven Reef, where it remained until June 15. Around this time, observers discovered that Beijing was expanding not just Johnson South Reef but multiple other outposts. The Philippine military reportedly observed the *Tianjing*, two other dredgers, and a large tugboat at Gaven Reef. These ships ultimately dredged 36 new acres of land at Gaven Reef. Chinese sources estimate that the *Tianjing* alone blasted more than 350 million cubic feet of sand and seawater onto these four features between September 2013 and June 2014.¹⁶

The United States weighed in for the first time at the annual Shangri-La Dialogue, when on May 31, 2014, Secretary of Defense Chuck Hagel censured China's recent maritime behavior, specifically criticizing "land reclamation activities at multiple locations." Secretary Hagel reiterated the United States' neutrality with respect to underlying sovereignty claims, but noted Washington's firm opposition to "any nation's use of intimidation, coercion, or the threat of force to assert those claims."¹⁷

Manila publicly commented on the additional sites in June. On June 6, President Aquino expressed concern "that there seems to be development in other areas within the disputed seas." Military officials informed the media that these newly observed reclamation projects included Cuarteron and Gaven Reefs. The Department of Foreign Affairs filed diplomatic protests with the Chinese embassy over these features, and shortly thereafter over dredging at Hughes Reef.¹⁸ That same week, Chinese experts reported that Beijing was planning a massive expansion of Fiery Cross Reef. It would become a fully formed artificial island with an airstrip and port. The central government was said to be considering a proposal based on China's experience thus far at Johnson South Reef. According to media reports, this led Manila to conclude that Beijing would begin its next reclamation at Fiery Cross Reef or Subi Reef—perhaps delaying the start of operations at Mischief Reef given its proximity to the main Philippine archipelago.¹⁹

Despite its diplomatic challenges, Manila had no intention of confronting China at sea. The Department of Foreign Affairs pledged to lodge protests in response to additional reclamation, but a presidential spokesperson acknowledged that the Philippines would "not respond to provocative action, especially [through] military action." Instead, Manila would pursue an asymmetric strategy

15. Ramos and Quismundo, "China Building Airstrip"; Manuel Mogato, "Philippines' Aquino Says China Violates Informal Code on Sea," Reuters, May 19, 2014.

16. Hardy et al., "China Goes All Out"; U.S. DOD, *Annual Report to Congress: 2016*, 20; Shi Yang, "南沙填海利器—中国制造" (South China Sea Reclamation Weapon—Made in China), *Guancha*, September 12, 2014. Also see Dolven et al., *Chinese Land Reclamation in the South China Sea*, 18–19.

17. Chuck Hagel, "The United States' Contribution to Regional Stability" (speech, Shangri-La Dialogue 2014 First Plenary Session, Singapore, May 31, 2014).

18. Jim Gomez, "China Building up More Land at Spratlys Reefs, Manila Says," Associated Press, June 6, 2014; "Philippines Files Fourth Protest over China Reef 'Reclamation' in Disputed Territory," *South China Morning Post*, June 14, 2014.

19. "China Plans Artificial Island in Disputed Spratlys," *South China Morning Post*; Ana, "China Reclaiming Land in 5 Reefs."

relying on multilateral diplomacy and international legal mechanisms.²⁰ To this end, on June 16 Secretary del Rosario called for all claimants in the South China Sea to embrace a “moratorium” on coercive activities, including construction and reclamation. Del Rosario hoped this freeze would facilitate the conclusion of a binding Code of Conduct. The same day, the Vietnamese foreign ministry called on China to immediately stop “illegal activities of expansion and construction” and “withdraw its vessels and facilities” from the Spratly Islands. Hanoi’s statement, however, did not include a pledge to halt its own land reclamation and construction activities. Beijing immediately rejected these “totally unreasonable” attempts to restrict “China’s appropriate moves within the scope of [its] sovereignty.”²¹

On July 11, the United States championed the proposed moratorium, with Deputy Assistant Secretary of State Michael Fuchs floating the idea of a voluntary freeze on “certain actions and activities that escalate the disputes and cause instability.” Such a freeze would have applied to the establishment of new outposts or the seizure of other claimants’ outposts. Importantly, the United States also encouraged opposition to construction and land reclamation that “fundamentally change the nature, size, or capabilities” of existing outposts, “whereas routine maintenance operations would be permissible.” Under the U.S. proposal, claimant states would refrain from interfering with “longstanding economic activities . . . in disputed areas” such as commercial fishing. The State Department had already begun lobbying claimants to adopt this voluntary freeze, but U.S. officials suggested that the claimants “should get together to decide the parameters of a freeze.”²² A Chinese foreign ministry official responded to these remarks on July 15. Rather than opposing the U.S. suggestion outright, Beijing criticized the “construction work and weaponry buildup over recent years” by other claimants. Beijing also highlighted its commitment to move forward on negotiation of a Code of Conduct with ASEAN, for which official consultations had begun in September 2013.²³

The U.S. and Philippine campaign for a construction freeze intensified ahead of the annual ASEAN Regional Forum. On August 1, the Department of Foreign Affairs of the Philippines issued a “Triple Action Plan” that centered on an immediate moratorium, followed by the ASEAN-China Code of Conduct, with a final resolution of the South China Sea disputes through international arbitration. The Philippines asserted that Vietnam, Brunei, and Indonesia had all “expressed support for this initiative,” but these countries did not confirm this claim in public.²⁴ Beijing rejected this proposal

20. “Manila Investigates Claims of Chinese Reclamation on Disputed Spratlys Reefs in South China Sea,” *South China Morning Post*, June 8, 2014; Umberto Bacchi, “Philippines Investigates China’s Artificial Island Plan,” *International Business Times*, June 9, 2014.

21. “Philippines Calls for Construction Freeze in South China Sea,” Reuters, June 16, 2014; Wong and Ansfield, “To Bolster Its Claims.”

22. Michael Fuchs, “Remarks at the Fourth Annual South China Sea Conference” (speech, Center for Strategic and International Studies, Washington, DC, July 11, 2014).

23. Hong Lei, “Foreign Ministry Spokesperson Hong Lei’s Remarks on the South China Sea Related Comments Made by the U.S. Official” (press conference, Ministry of Foreign Affairs, Beijing, July 15, 2016).

24. Republic of the Philippines, Department of Foreign Affairs, “DFA Statement on the Philippine Proposal ‘Triple Action Plan,’” press release, August 1, 2014; Pia Lee-Brago, “ASEAN Members Back Philippine Proposal on Sea Row—DFA,” *Philippine Star*, August 5, 2014.

and stated that “what China does or doesn’t do is up to the Chinese government” alone. An official accused other claimants of applying a double standard by criticizing Chinese activities but “when other countries wantonly build airports, nobody says a word.” The official also dismissed reports about Beijing’s plans to build an airfield at Fiery Cross Reef and argued that China was simply conducting “small and necessary construction, to raise living conditions on the islands.”²⁵

The United States and the Philippines lobbied hard at the ASEAN Regional Forum that started a week later on August 8. Secretary of State John Kerry went over the details of the U.S. proposal and also backed Secretary del Rosario’s Triple Action Plan.²⁶ Yet ASEAN largely ignored the initiatives and the chairman’s statement did not mention land reclamation or express support for the plan. The ASEAN secretary-general, Le Luong Minh of Vietnam, stated that the group did not even discuss the U.S. proposal. This did not mean the ASEAN member countries did not support “the essence of the proposal of the U.S.,” Minh argued, but “it is up to ASEAN to encourage China to achieve a serious and effective implementation of this commitment.” Vietnam and others preferred to work through existing mechanisms and ongoing official consultations with Beijing.²⁷ In a press conference, Chinese foreign minister Wang Yi said he would be willing to endorse the first two steps of the Philippines’ plan, but only if Manila first abandoned its pursuit of international arbitration. He noted that the Philippines had actually “jump[ed] the first two steps to go directly to the third step.”²⁸ Despite a concerted U.S.-Philippine effort, the proposed moratorium on construction and reclamation had been scuttled.

Phase III: Beijing Starts Dredging Three Largest Bases

In August 2014, China justified concerns about additional land reclamation. On August 8, 2014, commercial satellite imagery captured a Chinese dredger working on Fiery Cross Reef. Initial imagery depicted just one dredger, but these numbers quickly jumped to three dredgers by September and to at least six by November, along with a host of barges and support vessels.²⁹ This project was far greater in scale and complexity than the work done before. Whereas Chinese civilian crews had added less than 150 acres total to the other four outposts, Beijing transformed

25. Ben Blanchard, “China Says Can Build What It Wants on South China Sea Isles,” Reuters, August 4, 2014.

26. Republic of the Philippines, Department of Foreign Affairs, “Philippines Presents Triple Action Plan at 47th ASEAN Foreign Ministers’ Meeting in Nay Pyi Taw,” press release, August 9, 2014; John Kerry, “Opening Remarks at ASEAN Regional Forum” (speech, Nay Pyi Taw, Myanmar, August 10, 2014).

27. Association of Southeast Asian Nations, “Chairman’s Statement of the 21st ASEAN Regional Forum” (press statement, Nay Pyi Taw, Myanmar, August 10, 2014); Maria Gallucci, “U.S. Proposal to Smooth Tensions in South China Sea Overlooked at ASEAN Regional Forum 2014,” *International Business Times*, August 9, 2014; Lesley Wroughton and Paul Mooney, “China Rebuffs U.S. Efforts on South China Sea Tensions,” Reuters, August 10, 2014; Ron Corben, “At ASEAN, China Rejects U.S. ‘Freeze,’” *VOA News*, August 9, 2014.

28. Cliff Venzon, “Beijing Hints It May Stop Activities in South China Sea If Manila Drops Arbitration,” *Nikkei Asian Review*, August 9, 2014.

29. Sean O’Connor and James Hardy, “Imagery Shows Progress of Chinese Land Building across Spratlys,” *IHS Jane’s Defence Weekly*, February 15, 2015; “Fiery Cross Reef Tracker,” Asia Maritime Transparency Initiative, accessed June 22, 2016.

all of Fiery Cross Reef into an artificial island. China ultimately reclaimed some 665 acres at Fiery Cross. Two dredgers in particular, a grab dredger and a cutter suction dredger, were instrumental in this work.³⁰

Beijing largely concluded reclamation at Johnson South, Cuarteron, Hughes, and Gaven Reefs by fall 2014. Satellite imagery showed fully dredged channels, port facilities, and seawalls, as well as initial infrastructure development already under way at all of these outposts. Cement-pumping trucks, cranes, large steel pipes, and welding equipment were also observed.³¹ PLA Navy chief Admiral Wu Shengli reportedly visited all five sites sometime in September, providing further evidence that Chinese leaders were providing strategic direction.³²

In November, Chinese activities at Fiery Cross Reef gained significant media attention. Imagery of extensive reclamation work led to suggestions that the new artificial island would be large enough to host a full runway, as well as a harbor large enough for tankers and large surface combatants. This report generated attention in major U.S. and international newspapers.³³ On November 22, a U.S. Department of Defense spokesperson confirmed the United States' own assessment that China was "working toward" building an airstrip on Fiery Cross Reef. Washington called on China to "stop its land reclamation program and engage in diplomatic initiatives to encourage all sides to restrain themselves."³⁴

Around this time, Beijing stopped arguing that it was merely improving living conditions and instead began to emphasize the new facilities' value for international "search, rescue, and other public services." At the Xiangshan Forum in Beijing, a Chinese officer stated that the search for MH370 had "made us realize we lack sufficient air force capabilities in the South China Sea." Fiery Cross Reef would "support our radar system and intelligence-gathering activities" and improve China's ability to maintain "state security and protect [its] national interests."³⁵

30. Imagery dated March 18, 2015 and June 28, 2015 at "Fiery Cross Reef Tracker," Asia Maritime Transparency Initiative; U.S. DOD, *Annual Report to Congress: 2016*, 19; James Hardy and Sean O'Connor, "China Building Airstrip-Capable Island on Fiery Cross Reef," *IHS Jane's Defence Weekly*, November 20, 2014.

31. Imagery dated September 25, 2014 at "Hughes Reef Tracker," Asia Maritime Transparency Initiative; imagery dated September 27, 2014 at "Johnson Reef Tracker," Asia Maritime Transparency Initiative; imagery dated September 24, 2014 at "Cuarteron Reef Tracker," Asia Maritime Transparency Initiative; Shannon Tiezzi, "Why Is China Building Islands in the South China Sea?," *Diplomat*, September 10, 2014.

32. Bree Feng, "China's Naval Chief Visited Disputed Islands in the South China Sea, Taiwan Says," *New York Times*, October 16, 2014.

33. Hardy and O'Connor, "China Building Airstrip-Capable Island"; Katie Hunt, "Report: China Building 'Airstrip Capable' Island in Disputed Waters," CNN, November 24, 2014; "Asserting Sovereignty, Beijing Defends Land Reclamation in Disputed South China Sea," Fox News, November 24, 2014; Janes Perlex, "China Said to Turn Reef into Airstrip in Disputed Water," *New York Times*, November 23, 2014.

34. Minnie Chan, "U.S. Asks China to Stop Building Spratly Island Which Could Host Airfield," *South China Morning Post*, November 22, 2014.

35. "China Defends Land Reclamation in South China Sea," Associated Press, November 24, 2014; "China Building South China Sea Island Big Enough for Airstrip: Report," Reuters, November 22, 2014; David S. Cloud, "China's Man-Made Islands in Disputed Waters Raise Worries," *Los Angeles Times*, January 28, 2015.

China then began two new, massive reclamation projects at the beginning of 2015. Imagery taken on January 25 showed multiple dredgers at both Mischief and Subi Reefs.³⁶ Like Fiery Cross Reef, the extent of Chinese land reclamation at Mischief and Subi was orders of magnitude larger than that at Gaven, Hughes, Johnson South, and Cuarteron. These two projects were even larger than Fiery Cross, with approximately 1,408 acres of new land at Mischief Reef by September 2015 and 1,014 acres at Subi Reef by October 2015. These enormous operations involved at least two dozen dredgers at Mischief Reef alone, plus dozens of other barges and support craft.³⁷ The Philippines publicly disclosed the new projects in the spring.³⁸

Regional condemnation of China's island building campaign continued to grow. Philippine secretary of defense Voltaire Gazmin reportedly ordered the military to "prepare for territorial defense," but a January 21, 2015, U.S.-Philippines Bilateral Security Dialogue made clear that the two allies would eschew direct confrontation with Beijing in favor of heightened support for Manila's defense modernization program, joint maritime exercises, and foreign military financing. Foreign Secretary del Rosario later acknowledged that the Philippines had no plan for any direct interference with China's land reclamation or construction operations.³⁹

On January 27, criticism of Chinese activities appeared to coalesce at the ASEAN Foreign Ministers' Retreat in Malaysia. According to Singaporean foreign minister K. Shanmugam, "a number of countries raised the issue . . . [of] land reclamation" at the retreat. As host and ASEAN chair for 2015, Malaysian foreign minister Anifah Anan also announced that he and his counterparts had decided to "intensify efforts towards achieving the full and effective implementation of the Declaration on the Conduct of Parties in the South China Sea and work vigorously towards the early conclusion of the Code of Conduct." To this end, Anifah instructed officials to "increase the frequency" of consultations.⁴⁰ The Malaysian foreign minister noted explicitly "the concern raised by some foreign ministers on land reclamation in the South China Sea." Vietnam again pushed for an immediate halt to Chinese land reclamation without any pledge for a moratorium on other claimants' activities.⁴¹

36. Imagery dated January 25, 2015 at "Mischief Reef Tracker," Asia Maritime Transparency Initiative; imagery dated January 26, 2015 at "Subi Reef Tracker," Asia Maritime Transparency Initiative.

37. "Document: DNI Clapper Assessment of Chinese Militarization, Reclamation in South China Sea," *USNI News*, March 8, 2016; imagery dated September 8, 2015 at "Mischief Reef Tracker," Asia Maritime Transparency Initiative; U.S. DOD, *Annual Report to Congress: 2016*, 14–17; "Diplomacy Changes, Construction Continues: New Images of Mischief and Subi Reefs," Asia Maritime Transparency Initiative, June 18, 2015.

38. Manuel Mogato, "Manila Says China Starts Dredging at Another Reef in Disputed Waters," Reuters, February 5, 2015; Minoru Satake, "Philippines Uncover New Chinese Construction in Spratlys," *Nikkei Asian Review*, March 11, 2015.

39. Jaime Sinapit, "China's Reclamation on West PH Sea Reef Halfway Done—Catapang," *InterAkysion*, January 7, 2015; "Philippines Says China Expanding South China Sea Reclamation," Agence France-Presse, January 21, 2015; Carmela Fonbuena, "Photos Show China's 'Massive' Reclamation in West PH Sea," *Rappler*, January 22, 2015; Ted Laguatan, "Destroy Chinese Military Bases in PH Now!," *Global Nation Inquirer*, March 9, 2015.

40. "Philippines Warns ASEAN over China Reef Reclamation," Associated Press, January 30, 2015; Prashanth Parameswaran, "ASEAN to Intensify South China Sea Response amid China Concerns," *Diplomat*, January 28, 2015.

41. Shuan Sim, "ASEAN Countries Urged to Stand up to China over South China Sea," *International Business Times*, January 28, 2015; An Dien, "Vietnam Joins Philippines in War of Words against China Island Building," *Thanh Nien News*, January 23, 2015.

In response, a Xinhua commentary singled out the Philippines as a “crying baby” that was “putting up another pathetic show in an attempt to lobby international sympathy and support in its territorial spat with China.” A government spokesperson then justified China’s “construction and infrastructure maintenance” as “legitimate and conducted in accordance with international law.”⁴² In February, Manila lodged another diplomatic protest over reclamation at Mischief and construction activities at Fiery Cross. Singapore also issued a joint statement with the United States urging all parties to exercise self-restraint in the South China Sea. It did not join the Philippines and Vietnam in calling for China to halt its activities.⁴³

Phase IV: Engages Diplomatically as Primary Reclamation Ends

In March 2015, Beijing issued a senior-level statement on land reclamation in response to growing regional pressure for the first time. Foreign Minister Wang Yi addressed the issue on March 8, arguing that China was merely carrying out “lawful,” “justified,” and “necessary” construction “in our own yard” that “does not target or affect anyone.” He made clear that Beijing would not bow to criticism from countries “who engage in illegal construction in another person’s house” and vowed that China’s activities would not affect freedom of navigation or its policy of seeking peaceful resolution to disputes.⁴⁴

As China’s reclaimed islands grew, so too did domestic political pressure in the United States. On March 19, the Republican and Democratic leaders of the Senate Armed Services and Foreign Relations Committees issued a joint letter calling for a “formal strategy” to oppose “China’s coercive peacetime behavior.” The senators recommended that Washington employ “specific actions” to “slow down or stop China’s reclamation.”⁴⁵ Shortly thereafter, reports revealed that the Defense Department had begun considering plans to send U.S. military ships and aircraft within 12 nautical miles of China’s reclaimed reefs. These freedom of navigation operations would send a general message of U.S. resolve, as well as demonstrate that Washington would not recognize any illegal Chinese claims to additional maritime rights based on the artificial expansion of its occupied features. Previously, the United States had avoided such shows of force out of a fear of unnecessary escalation. Since 1979, the Department of Defense has executed the Freedom of Navigation Program to “demonstrate a non-acquiescence to excessive maritime claims asserted by coastal states.”⁴⁶ The U.S. Pacific Command

42. “PH a ‘Crying Baby’ for Opposing China Island-Building, Says State Media,” Agence France-Presse, January 30, 2015; Yang Yujun, “Defense Ministry’s Regular Press Conference on Jan. 29, 2015” (press conference, Ministry of National Defense, Beijing, January 29, 2015).

43. Redempto D. Anda, “China’s Mischief: Expansion, Reclamation,” *Inquirer Southern Luzon*, February 7, 2015; U.S. Department of State, “Joint Statement on the Third United States-Singapore Strategic Partnership Dialogue,” press release, February 13, 2015.

44. Wang Yi, “Foreign Minister Wang Yi Meets the Press” (press conference, Press Center, National People’s Congress, Beijing, March 8, 2015).

45. U.S. Senate Committee on Armed Services, “Senators McCain, Reed, Corker, and Menendez Send Letter on Chinese Maritime Strategy,” press release, March 19, 2015; David Brunnstrom, “Senators Seek U.S. Strategy to Stop China’s South China Sea Reclamation,” Reuters, March 19, 2015.

46. Adam Entous, Gordon Lubold, and Julian E. Barnes, “U.S. Military Proposes Challenge to China Sea Claims,” *Wall Street Journal*, May 12, 2015; U.S. Department of Defense, “Freedom of Navigation Program Factsheet,” press release, March 2015.

chief, Admiral Harry Harris, also called China's "unprecedented" actions akin to building "a great wall of sand." Amid these tensions, the Philippine foreign secretary announced that Manila would resume its "repair and maintenance" program in the Spratlys, including renovating Thitu Island's airstrip.⁴⁷

On April 9, just hours after the release of new satellite images, Beijing gave its first-ever detailed clarification of its island building in an attempt to dull the reputational impact of its activities. The Ministry of Foreign Affairs listed the "main purposes" for its "maintenance and construction" work in the Spratly Islands as "improving the living and working conditions of personnel stationed there . . . better safeguarding [China's] territorial sovereignty and maritime rights and interests . . . [and] better performing China's international responsibility and obligation in maritime search and rescue, disaster prevention and mitigation, marine science and research, meteorological observation, environmental protection, navigation safety, fishery production service and other areas." Although civilian functions dominated this list, officials also noted that the construction would "satisfy . . . the need of necessary defense." The foreign ministry highlighted the region's geographic remoteness, disaster-prone weather, and important sea lanes and fishing grounds as reasons why China must provide more "services to ships of China, neighboring countries, and other countries that sail across the South China Sea." Furthermore, responding to criticism over the destruction of coral reefs, Beijing guaranteed that its reclamation projects had "gone through scientific assessments and rigorous tests" that took "into full consideration the protection of [the] ecological environment and fishing resources."⁴⁸ On April 16, the Chinese ambassador to Washington echoed these arguments and noted that China would now be able to "shoulder greater responsibilities for international stability."⁴⁹

This diplomatic effort did little to mollify ASEAN member states. At the April 26 ASEAN Summit in Malaysia, the organization issued a joint statement critical of Beijing's activities. Although it did not mention China by name, the statement noted that the heads of state "share the serious concerns by some leaders on the land reclamation being undertaken in the South China Sea, which has eroded trust and confidence and may undermine peace, security, and stability." As host, however, Malaysian prime minister Najib Razak did not talk about the issue publicly. The joint statement also did not contain Hanoi and Manila's demand for an immediate halt to Chinese reclamation and construction activities.⁵⁰ Responding to this criticism, the Chinese foreign ministry voiced a litany

47. Sneha Shankar, "Beijing Building 'Great Wall of Sand' with Artificial Islands in South China Sea: U.S. Official," *International Business Times*, March 31, 2015; Prashanth Parameswaran, "China Slams Philippines for South China Sea 'Hypocrisy,'" *Diplomat*, March 27, 2015.

48. Independent analysts, however, have pointed out that China has not released environmental impact assessments, which are required by international and Chinese domestic law. Abhijit Singh, "A Looming Environmental Crisis in the South China Sea," Asia Maritime Transparency Initiative, August 12, 2016; Sui-Lee and Ben Blanchard, "China Mounts Detailed Defense of South China Sea Reclamation," Reuters, April 9, 2015; Hua Chunying, "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on April 9, 2015" (press conference, Ministry of Foreign Affairs, Beijing, April 9, 2015).

49. "China Activities in South China Sea Good for Maintaining Security, Navigation Freedom: Ambassador," Xinhua, April 17, 2015.

50. Association of Southeast Asian Nations, "Chairman's Statement of the 26th ASEAN Summit" (press statement, Kuala Lumpur and Langkawi, Malaysia, April 27, 2015); Manuel Mogato and Praveen Menon, "ASEAN Draft Statement Says South China Sea Land Reclamation Risks Security," Reuters, April 27, 2015.

of complaints about reclamation, construction, and militarization efforts by the Philippines, Vietnam, and others on their own outposts in the Spratlys.⁵¹

The mutual recriminations escalated in May. On May 20, a CNN crew was invited to join a U.S. Navy P-8A reconnaissance flight near China's reclamation sites in the Spratly Islands. A PLA Navy dispatcher issued eight warnings for the U.S. aircraft to "leave immediately" and gave notice that the aircraft was "approaching our military alert zone." Pentagon spokespersons noted that the United States would continue these "nearly daily" reconnaissance flights to demonstrate U.S. commitment to freedom of navigation and overflight in the region.⁵²

On May 29, just before the annual Shangri-La Dialogue, the U.S. Defense Department announced it had observed a pair of mobile artillery pieces on one of China's reclaimed reefs. Secretary of Defense Ashton Carter reiterated the United States' demand for "an immediate and lasting halt to land reclamation by all claimants." Carter also discussed the U.S. proposal for a moratorium with his Vietnamese counterpart, but Hanoi would not agree to a universal halt that bound Vietnam itself. The Vietnamese defense minister maintained that Hanoi's activities were aimed merely at preventing water erosion.⁵³ During his own remarks, PLA Deputy Chief of Staff Admiral Sun Jianguo highlighted China's construction of an oceanic survey station at Fiery Cross and two lighthouses at Johnson South and Cuarteron as examples of its benign intentions to provide greater "international public services." One week after the dialogue, the G7 countries issued a joint declaration affirming that their leaders "strongly oppose . . . any unilateral actions that seek to change the status quo, such as large-scale land reclamation."⁵⁴

In mid-June, Beijing tried to lower the diplomatic temperature by announcing the end of some reclamation activities. On June 16, a foreign ministry spokesperson stated that the land reclamation component of China's operations on "some" of its outposts would "be completed in the upcoming days." However, a second phase would follow, in which China intended to "start the building of facilities to meet relevant functional requirements." The U.S. State Department "noted" China's announcement but countered that "China's stated plans do not contribute to a reduction in tensions, support the emergence of diplomatic and peaceful solutions, or bolster China's disputed maritime claims."⁵⁵ On June 30, the Chinese Ministry of Foreign Affairs declared that some reclamation projects had reached completion. Commercial satellite imagery released in early July

51. "China Fires Back at South China Sea Claimants with Reclamation Accusations," Reuters, April 29, 2015.

52. Jim Sciutto, "Exclusive: China Warns U.S. Surveillance Plane," CNN, May 20, 2015; Helene Cooper and Janes Perlez, "U.S. Flies over a Chinese Project at Sea, and Beijing Objects," *New York Times*, May 22, 2015.

53. Matthew Rosenberg, "China Deployed Artillery on Disputed Island, U.S. Says," *New York Times*, May 29, 2015; Ashton Carter, "The United States and Challenges of Asia-Pacific Security" (speech, IISS Shangri-La Dialogue 2015 First Plenary Session, Singapore, May 30, 2015); David Alexander, "Vietnam, U.S. Discuss Land Reclamation in South China Sea," Reuters, June 1, 2015.

54. Sun Jianguo, "Strengthening Regional Order in the Asia-Pacific" (speech, IISS Shangri-La Dialogue 2015 Fourth Plenary Session, Singapore, May 30, 2015); Group of Seven, "Leaders' Declaration" (press statement, G7 Summit, Schloss Elmau, Germany, June 8, 2015).

55. Lu Kang, "Foreign Ministry Spokesperson Lu Kang's Remarks on Issues Relating to China's Construction Activities on the Nansha Islands and Reefs" (press statement, Ministry of Foreign Affairs, Beijing, June 16, 2016); Sui-Lee Wee and David Brunnstrom, "China Says about to Finish Some Land Reclamation in South China Sea," Reuters, June 17, 2015.

indicated that China's airstrip on Fiery Cross Reef was almost complete and construction on other features had made considerable progress.⁵⁶

On July 22, Japan issued its own denunciation of Chinese land reclamation in a defense white paper. Later that week Admiral Harris again criticized the pace and scale of China's activities. In response, China accused the United States of being responsible for "militarizing" the South China Sea through its close-in surveillance operations, strengthened alliances, and frequent exercises in the region.⁵⁷

Overall, this damage control was moderately successful leading into the annual ASEAN Regional Forum meetings in Malaysia on August 4. Media reports suggested that the foreign ministers would officially call for an immediate halt to land reclamation. However, their joint communiqué went no further than the April ASEAN Summit. The chairman's statement only urged self-restraint.⁵⁸ In response to Secretary Kerry's call for halts to reclamation, construction, and coercive actions, Foreign Minister Wang argued, "China has stopped. You want to see who is building? Take a plane and go see who is still building."⁵⁹ In fact, Chinese land reclamation at Mischief Reef and Subi Reef continued into September and October, respectively, during which time China reclaimed over 100 additional acres of new land at these two features. Imagery released on September 15 revealed that China was also laying the groundwork for an airfield at Mischief Reef, the third after Fiery Cross and Subi Reefs. Other analysis found that the Fiery Cross airstrip was already finished.⁶⁰

Phase V: U.S. Naval Patrols Target Chinese Outposts

U.S. domestic and bureaucratic pressure for a greater demonstration of resolve against China's activities reached a peak on September 17, 2015. At a Senate Armed Services Committee hearing, the assistant secretary of defense for Asian and Pacific Security Affairs, David Shear, told lawmakers that the department was considering "a range of options, including freedom of navigation exercises" near China's artificial islands. When pressed by Senator John McCain, Assistant Secretary Shear disclosed that the United States had not sent vessels within 12 nautical miles of Chinese-held features in the Spratly archipelago since 2012. Admiral Harris also stated that the U.S. Navy had not recently conducted any direct "flyover" of those features that were not entitled to any territorial airspace under the UN Convention on the Law of the Sea. In response, China's foreign

56. Hua Chunying, "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on June 30, 2015" (press conference, Ministry of Foreign Affairs, Beijing, June 30, 2015); Oliver Holmes, "China Nears Completion of Controversial Airstrip in South China Sea," *Guardian*, July 2, 2015.

57. "Tokyo Slams Reclamation in S. China Sea," *Straits Times*, July 22, 2015; Christopher Bodeen, "China Accuses U.S. of 'Militarizing' South China Sea," Associated Press, July 30, 2015.

58. Lefevre and Leong, "Southeast Asian Nations Back Halt to Land Reclamation in South China Sea"; Association of Southeast Asian Nations, "Joint Communiqué" (press statement, 48th ASEAN Foreign Ministers' Meeting, Kuala Lumpur, Malaysia, August 4, 2015); Association of Southeast Asian Nations, "Chairman's Statement" (press statement, 22nd ASEAN Regional Forum, Kuala Lumpur, Malaysia, August 6, 2015).

59. Mathew Lee and Eileen Ng, "Tensions Rises in South China Sea," Associated Press, August 5, 2014.

60. "Document: DNI Clapper Assessment," *USNI News*; "Spratly Airstrip Update: Is Mischief Reef Next?," Asia Maritime Transparency Initiative, September 15, 2015; David Brunnstrom and Michael Martina, "Xi Denies China Turning Artificial Islands into Military Bases," Reuters, September 25, 2015.

ministry expressed “serious” concern and urged the United States to “refrain from taking any provocative and risky action.”⁶¹

Later that month, U.S. president Barack Obama and Chinese president Xi Jinping held a summit in Washington. In a joint press conference on September 25, President Obama said he had reiterated the United States’ commitment to “sail, fly, and operate anywhere international law allows,” including in the South China Sea. He also communicated “significant concerns over land reclamation, construction, and the militarization of disputed areas.” For his part, President Xi defended China’s actions and sovereignty while downplaying any threat to international freedom of navigation and overflight. Critically, Xi stated that the “relevant construction activities that China [is] undertaking in the [Spratly] Islands do not target or impact any country, and China does not intend to pursue militarization.”⁶² This statement has often been cast as a promise not to take any actions to further militarize the South China Sea, but Xi’s actual words were a statement about intentions, not a promise. Moreover, Xi’s statement was limited to the Spratly Islands, not the South China Sea as a whole, and it left the definition of militarization ambiguous. A Chinese Ministry of Foreign Affairs press conference soon after, for example, suggested that “a limited amount of necessary military facilities for defense purposes only” was consistent with President Xi’s statement.⁶³

Despite Xi’s unexpected statement, Pentagon leaks about an impending freedom of navigation operation in the South China Sea started to increase in early October. At this time, Defense Department options had reportedly been given to the president. The White House just had yet to make a final decision.⁶⁴ In a meeting between the U.S. and Australian foreign and defense ministers on October 14, the United States reportedly informed its ally of its intentions to conduct patrols in the South China Sea. The two countries issued a joint statement that called on “all claimant states to halt land reclamation, construction, and militarization.” Yet the allies did not hold “concrete talks” on Australia joining U.S. freedom of navigation patrols.⁶⁵

The United States finally undertook its first freedom of navigation patrol near one of China’s man-made islands on October 27. A U.S. Navy guided missile destroyer, the USS *Lassen*, sailed within 12 nautical miles of what was originally a low-tide elevation at Subi Reef. It was accompanied by a

61. Sam LaGrone, “U.S. Weighing More Freedom of Navigation Operations in South China Sea near Reclaimed Islands,” *USNI News*, September 17, 2015; Sydney J. Freedberg, Jr., “U.S. Hasn’t Challenged Chinese ‘Islands’ since 2012,” *Breaking Defense*, September 17, 2015; Sam LaGrone, “China Doubles Down on South China Sea Sovereignty, Warns against ‘Risky and Provocative’ U.S. Freedom of Navigation Missions,” *USNI News*, September 18, 2015.

62. White House, “Remarks by President Obama and President Xi of the People’s Republic of China in Joint Press Conference,” press release, September 25, 2015.

63. See Chun Han Wong and Gordon Lubold, “U.S.-Beijing Spat Escalates over South China Sea,” *Wall Street Journal*, February 17, 2016; Sam LaGrone, “China: Military Facilities on South China Sea Artificial Islands Are ‘for Defense Purposes Only,’” *USNI News*, October 14, 2015.

64. See, for example, Dan de Luce and Paul McLeary, “In South China Sea, a Tougher U.S. Stance,” *Foreign Policy*, October 2, 2015; David Larter, “Navy Will Challenge Chinese Territorial Claims in South China Sea,” *Navy Times*, October 8, 2015.

65. David Brunnstrom, “U.S. Discusses South China Sea Plans with Australia,” Reuters, October 13, 2015; David Brunnstrom, “U.S., Australia Rebuff China over South China Sea,” Reuters, October 14, 2015; David Wroe, “Australia in Talks with United States over Naval Patrols in South China Sea,” *Sydney Morning Herald*, October 14, 2015.

P-8A surveillance aircraft, which did not enter the 12-nautical-mile zone. Although the *Lassen* itself did come within 12 nm, its fire control radars were turned off and it flew no helicopters during the transit. These details surprised many U.S. observers because the destroyer's behavior seemed designed to conform to the UN Convention on the Law of the Sea's rules for innocent passage through territorial waters. The confusion was augmented by administration officials' silence on the operational details in its wake.⁶⁶

The secretary of defense finally clarified the operation in a letter to Congress two months later, drawing attention to factors not appreciated by observers prior to the patrol. Subi Reef sits within 12 nm of Sandy Cay, which is itself probably entitled to a territorial sea. Under the Law of the Sea, claimants to Sandy Cay enjoy the legal right to "bump out" that feature's territorial sea using Subi Reef as the new baseline. Therefore, this U.S. freedom of navigation operation was not a challenge to China's legal entitlement to a territorial sea around Subi Reef. Rather, the United States chose to challenge what it views as China's excessive maritime claim to demand "prior permission or notification of transits within territorial seas." During the course of the same mission, the *Lassen* also conducted innocent passage freedom of navigation patrols within 12 nautical miles of North-east Cay, Southwest Cay, South Reef, and Sand Cay, which are occupied by Vietnam or the Philippines. The U.S. Navy did not give prior notification to any of these claimants. One official explained that the Obama administration "wanted to assert our rights under international law, but not to the point where we were poking the Chinese in the eye."⁶⁷

Two PLA Navy guided missile destroyers shadowed the USS *Lassen* and issued warnings for it to leave during its patrol near Subi Reef. These were the *Lanzhou* (170), a *Luyang II*-class guided missile destroyer, and the *Taizhou* (138), a *Sovremenny II*-class guided missile destroyer. Yet the vessels did not attempt to interrupt the *Lassen's* transit. One U.S. Department of Defense official called it a "professional" encounter. Other Chinese "merchant vessels" in the area "were not as demure," however, and "one came out of anchorage in the island and crossed the destroyer's bow but at a safe distance."⁶⁸

A Chinese government spokesperson said the PLA Navy vessels had intercepted and hailed the USS *Lassen* "according to law." He condemned the U.S. patrol as a "coercive action that seeks to militarize the South China Sea region" and an abuse of freedom of navigation. Another spokesperson said the *Lassen* had entered Chinese waters "illegally" in a "deliberate provocation." Asserting that Beijing would "resolutely respond," the foreign ministry suggested that this might include efforts to "increase and strengthen the building up of our relevant [defense] abilities" in the region. Chinese vice foreign minister Zhang Yesui also summoned U.S. ambassador Max Baucus to tell him the operation was "extremely irresponsible." At Beijing's request, Admiral John Richardson, the

66. Christopher P. Cavas, "Navy Chiefs Talk, New Details on Destroyer's Passage," *Defense News*, October 31, 2015; Ben Blanchard and Andrea Shalal, "Angry China Shadows U.S. Warship near Man-Made Islands," Reuters, October 27, 2015.

67. "Document: SECDEF Carter Letter to McCain on South China Sea Freedom of Navigation Operation," *USNI News*, January 5, 2016; Andrea Shalal and David Brunnstrom, "U.S. Patrol Sought to Avoid Provocation, Not Reinforce China Island Claim: Officials," Reuters, November 7, 2015.

68. Bonnie S. Glaser, Michael J. Green, and Gregory B. Poling, "The U.S. Asserts Freedom of Navigation in the South China Sea," Center for Strategic and International Studies, October 27, 2015; Cavas, "Navy Chiefs Talk."

U.S. chief of naval operations, and Admiral Wu Shengli, commander of the PLA Navy, held a video teleconference two days later.⁶⁹

In the region, this first U.S. freedom of navigation patrol received strong endorsements from the Philippines, Australia, Japan, and Malaysia.⁷⁰ However, South Korea, Taiwan, Vietnam, and Singapore all declined to comment on the operation, instead reiterating their support for freedom of navigation in the South China Sea in general terms.⁷¹ Indonesia simply called on all countries to “exercise restraint.”⁷²

In January 2016, China landed two civilian aircraft on its now fully operational airfield at Fiery Cross Reef. The same month, the U.S. Navy undertook another freedom of navigation patrol in the disputed Paracel Islands. Commercial satellite imagery revealed weeks later that China had begun installing a high-frequency radar on Cuarteron Reef, where construction was nearly complete. In April, a PLA Air Force aircraft landed on Fiery Cross in the Spratly Islands for the first time, ostensibly to evacuate three sick workers.⁷³

Then in May, the USS *William P. Lawrence* guided missile destroyer conducted the United States’ second patrol within 12 nautical miles of a Chinese reclaimed reef in the Spratlys, this time at Fiery Cross Reef. China reportedly dispatched three warships and two fighter jets to monitor the U.S. destroyer, which was again challenging China’s requirement that foreign military vessels obtain prior permission before entering its territorial waters. The Chinese foreign ministry expressed “resolute opposition” to this latest U.S. freedom of navigation operation, which allegedly “only further justified China’s construction of defense facilities in the area.”⁷⁴ Meanwhile, construction activities continued on the seven reclaimed features (see Figures 3.17 to 3.37 below for detailed information on upgrades to all of the seven Chinese-occupied reefs in the Spratly Islands).

69. Blanchard and Shalal, “Angry China Shadows U.S. Warship”; Cavas, “Navy Chiefs Talk.”

70. Camille Elemia, “‘Balance of Power,’ Aquino Says of U.S. Ship in West PH Sea,” *Rappler*, October 27, 2015; Trefor Moss, “Support Grows for U.S. Approach in South China Sea,” *Wall Street Journal*, November 3, 2015; “Abe Backs U.S. Operation in South China Sea; More Sail-Pasts Expected,” *Japan Times*, October 28, 2015; Commonwealth of Australia, Department of Defense, “Minister for Defense—Statement: Freedom of Navigation in the South China Sea,” press release, October 27, 2015.

71. See Republic of China (Taiwan), Ministry of Foreign Affairs, “ROC Government Reiterates Its Position on South China Sea Issues,” press release, October 31, 2015; Tra Mi, “Vietnam Gives Noncommittal Response to U.S. Patrol in S. China Sea,” *VOA News*, October 29, 2015; “Freedom of Navigation Should Be Guaranteed in Disputed South China Sea: Korean Defense Minister,” *Korea Herald*, November 4, 2015; Republic of Singapore, Ministry of Foreign Affairs, “MFA Press Statement: Introductory Calls on Minister for Foreign Affairs Minister Dr. Vivian Balakrishnan,” press release, October 28, 2015.

72. Prashanth Parameswaran, “Indonesia Calls for South China Sea Restraint amid U.S.-China Tensions,” *Diplomat*, October 28, 2015.

73. “China Lands More Civilian Planes on Fiery Cross Reef,” *BBC News*, January 7, 2016; Jane Perlez, “U.S. Challenges China’s Claim of Islands with Maritime Operations,” *New York Times*, January 30, 2016; David Brunnstrom, “China May Be Installing Radar on Disputed South China Outposts: Think Tank,” *Reuters*, February 23, 2016; “Commentary: China Using Military Plane to Transport Sick Workers from South China Sea Reef Lawful, Rational,” *Xinhua*, April 20, 2016.

74. Jesse Johnson, “China Says U.S. Patrols Justify Defense Facilities in Contested Waters,” *Japan Times*, May 11, 2016.

Conclusions

First, the scale of land reclamation is what differentiates Chinese activities in the Spratlys from those of other claimants. Nearly all claimants to the Spratly Islands have engaged in land reclamation, including since the signing of the 2002 China-ASEAN Declaration. China's actions are no more illegal than those of other claimants—except in the case of Mischief Reef, which is wholly within the Philippines' exclusive economic zone and continental shelf, and in the case of violations of China's duties to protect the marine environment under the UN Convention on the Law of the Sea. The 2002 Declaration does not explicitly prohibit upgrading previously occupied features. This reality constrains states that feel threatened by China's massive construction efforts. ASEAN failed to endorse a moratorium not only because of Beijing's pressure, but also because Vietnam was simultaneously conducting numerous, if less ambitious, improvements to its outposts throughout the Spratlys.

Second, China's strategy in the South China Sea involves strengthening its claims while opposing the efforts of other states to consolidate their own claims. Although this strategy is less escalatory than occupying new features or using force to expel other claimants, it is still destabilizing because China is a rising power that is already the strongest in the region (after the United States).⁷⁵ New airstrips, ports, and radar systems in the Spratlys will enable it to exercise control in peacetime as well as wartime to a degree no other claimant can match.

Third, China probably had operational plans for reclamation ready for years, but chose not to execute them until the South China Sea situation began deteriorating. The 2012 Scarborough Shoal standoff, Manila's initiation of compulsory arbitration, efforts by Vietnam and others to consolidate their own outposts, and negotiations to grant the United States access to Philippine bases all seem to have played a role in Beijing's more active stance. Chinese actions are consistent with historical research suggesting that Beijing is most likely to escalate territorial disputes when it controls little of what is being contested or believes its claim is weakening.⁷⁶

Fourth, to date China has not used force to disrupt U.S. freedom of navigation near the Spratly Islands. Chinese forces have not interfered with U.S. Navy patrols within 12 nautical miles of re-claimed features, although the PLA Navy shadowed and hailed the USS *Lassen* and USS *William P. Lawrence* during their transits. Beijing could harass U.S. forces operating in the area, similar to the *Impeccable* and "Top Gun" incidents, but thus far has not chosen to do so.⁷⁷ However, Chinese maritime capabilities will continue to improve over time, so the U.S. military will likely face increasingly capable platforms during these intercepts. The shifting local military balance will also increase pressure on other claimants and regional states as China stations more law enforcement and military capabilities at its new bases.

75. This conclusion is largely copied from M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia* 33, no. 3 (2011): 299–300.

76. See M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton, NJ: Princeton University Press, 2008).

77. See James Kraska and Raul Pedrozo, *International Maritime Security Law* (Boston: Martinus Nijhoff Publishers, 2013), 255–257.

Finally, neither the other claimants nor the United States were willing to use force to physically interfere with China's dredging and construction operations. In part, this is because these operations were conducted quickly and it took time before international observers were aware of the scale of the Chinese effort. It is possible that China might have been deterred if various states had taken a stronger line early on. Yet, it is notable that no regional state appears to have seriously considered a military response. This restraint arises partly from diplomatic and legal constraints but also from a lack of capabilities, suggesting that the growing military imbalance between China and its neighbors may play an important, if unseen, role in any future incidents.

SUBI REEF

- *Names:* Zhubi Reef (Chinese), Zamora (Filipino), Da Xu Bi (Vietnamese)
- *Location:* Northern Spratly Islands, within 12 nm of Sandy Cay and Thitu Island
- *Preexisting natural formation:* Above water at low tide only⁷⁸
- *First occupied by China:* 1988
- *Start of reclamation:* January 2015

Figure 3.17. Before Reclamation (Jan 2014)



Figure 3.18. After Reclamation (Jan 2015)



- *Area reclaimed:* 976 acres (as of 2016)⁷⁹
- *Infrastructure:* 3 concrete plants, 7 communication antennae, support buildings, reinforced seawalls
- *Airfield:* 10,663-ft airstrip, helipads
- *Port:* 755-ft wide access channel, 11 temporary loading piers
- *Other facilities:* radar tower, various multi-level facilities, hangars, anti-air guns

Figure 3.19. Detailed Image (Jan 2015)



78. Permanent Court of Arbitration, *Award*, PCA Case No. 2013-19 (July 12, 2016), 165–166.

79. "Subi Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

FIERY CROSS REEF

- *Names:* Yongshu Reef (Chinese), Kagitingan Reef (Filipino), Da Chu Thap (Vietnamese)
- *Location:* Center-west fringe of the Spratly Islands
- *Preexisting natural formation:* Rock above water at high tide⁸⁰
- *First occupied by China:* 1988
- *Start of reclamation:* August 2014

Figure 3.20. Before Reclamation (Sep 2009)



Figure 3.21. After Reclamation (Sep 2015)



- *Area reclaimed:* 677 acres (as of 2016)⁸¹
- *Infrastructure:* 2 lighthouses, concrete plants, 10 communication antennae, support buildings
- *Airfield:* 9,850-ft airstrip, 2 helipads
- *Port:* large harbor with access channel, 9 temporary loading piers, protection against undersea attacks
- *Other facilities:* 8 gun emplacements, anti-air guns, radar tower

Figure 3.22. Detailed Image (Sep 2015)



80. Permanent Court of Arbitration, *Award*, 146.

81. "Fiery Cross Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

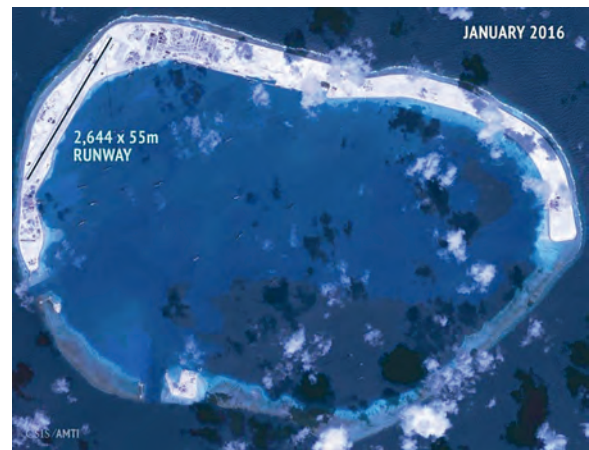
MISCHIEF REEF

- *Names:* Meiji Reef (Chinese), Panganiban Reef (Filipino), Đá Vành Khăn (Vietnamese)
- *Location:* Southeast region of the Spratly Islands, near Second Thomas Shoal
- *Preexisting natural formation:* Above water at low tide only⁸²
- *First occupied by China:* 1994
- *Start of reclamation:* January 2015

Figure 3.23. Before Reclamation (Jan 2012)



Figure 3.24. After Reclamation (Jan 2016)



- *Area reclaimed:* 1,379 acres (as of 2016)⁸³
- *Infrastructure:* 9 concrete plants, reinforced seawalls, 3 communication antennae
- *Airfield:* 8,861-ft airstrip
- *Port:* access channel, 9 temporary loading piers, preexisting fishing shelters
- *Other facilities:* 2 preexisting military facilities

Figure 3.25. Detailed Image (Jan 2016)



82. Permanent Court of Arbitration, *Award*, 173.

83. "Mischief Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

CUARTERON REEF

- *Names:* Huayang Reef (Chinese), Calderon Reef (Filipino), Bai Chau Vien (Vietnamese)
- *Location:* Eastern end of London Reefs group in the western Spratly Islands
- *Preexisting natural formation:* Rocks above water at high tide⁸⁴
- *First occupied by China:* 1988
- *Start of reclamation:* March 2014

Figure 3.26. Before Reclamation (Jan 2014)



Figure 3.27. After Reclamation (Sep 2014)



- *Area reclaimed:* 57 acres (as of 2016)⁸⁵
- *Infrastructure:* 3 concrete plants, reinforced seawalls, 5 communication antennae, support buildings
- *Airfield:* 2 helipads
- *Port:* 410-ft-wide access channel, breakwaters
- *Other facilities:* preexisting multilevel military facility, radar facility, 2 radar towers, 5 gun or missile emplacements

Figure 3.28. Detailed Image (Sep 2014)



84. Permanent Court of Arbitration, *Award*, 145.

85. "Cuarteron Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

GAVEN REEF

- *Names:* Nanxun Reef (Chinese), Burgos Reefs (Filipino), Da Ga Ven (Vietnamese)
- *Location:* Western end of the Tizard Banks group in the central Spratly Islands
- *Preexisting natural formation:* Sand cay above water at high tide (Gaven North)⁸⁶
- *First occupied by China:* 1988
- *Start of reclamation:* May/June 2014

Figure 3.29. Before Reclamation (Sep 2007)



Figure 3.30. After Reclamation (Mar 2015)



- *Area reclaimed:* 37 acres (as of 2016)⁸⁷
- *Infrastructure:* construction support structure, concrete plant, reinforced seawalls, radio communication antenna
- *Airfield:* 2 helipads
- *Port:* 400-ft-wide access channel
- *Other facilities:* 4 defensive towers, coastal fortifications, radar facility, 8 gun emplacements, naval guns, anti-air guns

Figure 3.31. Detailed Image (Mar 2015)



86. Permanent Court of Arbitration, *Award*, 164.

87. "Gaven Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

HUGHES REEF

- *Names:* Dongmen Reef (Chinese), Da Tu Nghia (Vietnamese)
- *Location:* Northern edge of the Union Banks group in the central Spratly Islands
- *Preexisting natural formation:* Above water at low tide only⁸⁸
- *First occupied by China:* 1988
- *Start of reclamation:* March 2014

Figure 3.32. Before Reclamation (Feb 2010)



Figure 3.33. After Reclamation (Mar 2015)



- *Area reclaimed:* 19 acres (as of 2016)⁸⁹
- *Infrastructure:* concrete plant, reinforced seawalls
- *Airfield:* preexisting helipad
- *Port:* 387-ft-wide access channel
- *Other facilities:* 4 defensive towers, coastal fortifications, radar facility, 5 gun emplacements, multilevel military facility

Figure 3.34. Detailed Image (Mar 2015)



88. Permanent Court of Arbitration, *Award*, 156.

89. "Hughes Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

JOHNSON SOUTH REEF

- *Names:* Chigua Reef (Chinese), Mabini Reef (Filipino), Da Gac Ma (Vietnamese)
- *Location:* Southwestern end of the Union Banks group in the central Spratly Islands
- *Preexisting natural formation:* Rocks above water at high tide⁹⁰
- *First occupied by China:* 1988
- *Start of reclamation:* December 2013

Figure 3.35. Before Reclamation (Jan 2012)

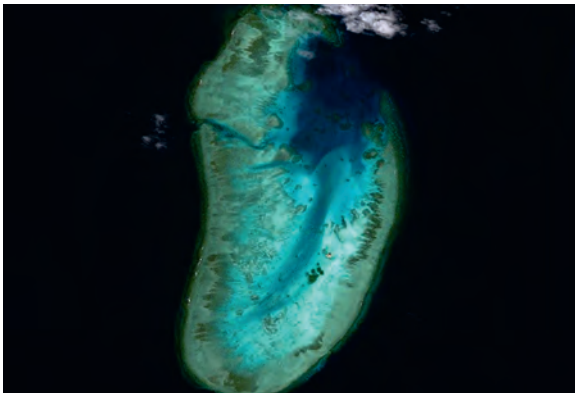


Figure 3.36. After Reclamation (Mar 2014)



- *Areas reclaimed:* 27 acres (as of 2016)⁹¹
- *Infrastructure:* concrete plant, fuel dump, agricultural farm, solar farm, 2 wind turbines, desalination pumps, and lighthouse
- *Airfield:* 2 helipads
- *Port:* 410-ft-wide access channel, roll-on / roll-off docks, reinforced seawalls, access channel, 2 loading stations
- *Other facilities:* radar facility and tower, 3 communication antennae, multilevel military facility, 4 weapons towers

Figure 3.37. Detailed Image (Mar 2014)



90. Permanent Court of Arbitration, *Award*, 148.

91. "Johnson Reef Tracker," Asia Maritime Transparency Initiative, accessed July 19, 2016.

Policy Recommendations

This report has analyzed both the theory and recent practice of gray zone deterrence in maritime Asia. The case studies examined here demonstrate how China has used asymmetry, ambiguity, and incrementalism to revise the status quo in maritime Asia while avoiding a war with regional neighbors or the United States. Although China did not initiate several of the incidents described, Beijing often responded by seeking to enhance its physical control or shift rules and norms to its benefit. This pattern of behavior fits our definition of gray zone coercion. This chapter concludes by describing five main lessons about how to counter gray zone coercion and applying these lessons to five potential future scenarios in maritime Asia.

To date, U.S., ally, and partner responses to China's coercion have shown mixed results. In some cases, such as the 2009 *Impeccable* and 2014 "Top Gun" incidents, the United States took a hard line in response to coercion and thereby returned the situation to the status quo ante. In other cases, such as the 2012 Scarborough Shoal standoff and land reclamation in the Spratly Islands, China executed a *fait accompli* strategy and the United States and its allies and partners found themselves unable to uphold the status quo. In short, leaders in Washington and in Asian capitals have often failed to deter Chinese coercion. As a result, Richard Betts has concluded that U.S. leaders have "muddled" their deterrence efforts; he suggests that policymakers "need to relearn the basics of deterrence and rediscover its promise as a strategy." Indeed, Washington has frequently relied on ambiguous commitments designed to minimize risk, which have effectively enabled gray zone coercion. As Betts notes, this form of "ambivalent deterrence . . . amounts to a yellow light, a warning to slow down, short of a firm requirement to stop. Yellow lights, however, tempt some drivers to speed up."¹

In many coercive incidents, it was only after U.S. policymakers were surprised by a crisis that they then attempted to take steps to defuse a situation. This pattern has avoided a major conflict, but often it has failed to alter China's cost-benefit calculations and thus its behavior. Given that trying to reverse a change in the status quo through compellence is much more difficult than

1. Richard K. Betts, "The Lost Logic of Deterrence," *Foreign Affairs* 92, no. 2 (March–April 2013).

maintaining the status quo through deterrence, policymakers should attempt to shape Chinese behavior before incidents occur rather than reacting afterward. Deterring China from challenging those interests that are most important to the United States will require a paradigm change from U.S. leaders. Specifically, U.S. policymakers will have to alter their approach by adopting a *deterrence* framework rather than a *crisis response* framework. To do so, policymakers must identify which U.S. interests are of greatest import and merit acceptance of substantial risk to uphold the status quo, even if a particular Chinese action would not otherwise appear to warrant a robust response. Making these assessments in advance of a crisis is vital to shaping China's decision calculus before Beijing adopts confrontational policies.

If U.S. leaders do not adopt a deliberate and forward-looking strategy for countering coercion, they will continue the existing practice of responding to crises rather than shaping them. As the Chinese have proved through their gray zone efforts, few specific incidents might, in and of themselves, threaten U.S. interests to the point of eliciting a strong U.S. response. Ultimately, however, if U.S. leaders are unable to credibly commit to uphold U.S. interests, they will weaken U.S. standing with allies and partners while doing little to bolster regional security. In suggesting a new approach to gray zone deterrence, this chapter describes five central lessons for policymakers. To apply these lessons to specific scenarios, we then discuss recommendations as applied to five potential future gray zone crises. We conclude with the importance of establishing a strategic framework to guide efforts to counter coercion in maritime Asia. The lessons include:

- *Lesson 1: Tailor deterrence strategies.* Leaders should only draw red lines that they are willing to uphold. Tailoring gray zone deterrence therefore requires differentiation among four categories of coercion and only attempting deterrence when it can be done credibly. The four categories of coercion include: contesting physical control, contesting rules and norms, exploiting physical control, and exploiting rules and norms.
- *Lesson 2: Clarify deterrence commitments.* Although ambiguity can be useful, gray zone coercion can exploit ambiguity to undermine commitments. Increasingly, leaders will have to be clear about the actions they oppose and demonstrate how they may respond in order to credibly deter those actions.
- *Lesson 3: Accept calculated risk.* Too often, Washington has sought to eliminate rather than manage gray zone risks. Yet risk avoidance encourages coercion by reassuring China that the likelihood of escalation in gray zones is minimal.
- *Lesson 4: Tighten alliances and partnerships.* If Washington clarifies its commitments and accepts more risk, then the United States should seek to deepen alliance cooperation. By ensuring that the United States is a constant participant in allied decisionmaking, Washington can dissipate both ally fears of abandonment and U.S. fears of entrapment.
- *Lesson 5: Exercise restraint while demonstrating resolve.* If the United States takes a more robust approach to deterring gray zone coercion, then it should also engage Beijing to demonstrate that Washington still welcomes the rise of a peaceful and prosperous China.

In applying these lessons to specific gray zone maritime disputes, this study recommends the following approaches to potential future such scenarios:

- *Scenario 1: An unsafe air or sea intercept.* If China contests rules and norms using limited probes, then U.S. leaders should respond firmly by accepting calculated risk and continuing to be clear that the United States is committed to such operations.
- *Scenario 2: A South China Sea Air Defense Identification Zone.* If China exploits rules and norms by issuing an ultimatum, then U.S. leaders should exercise restraint but clarify that the United States will not tolerate efforts to enforce destabilizing ultimatums and will demonstrate this resolve through visible policies and operations.
- *Scenario 3: Militarization of reclaimed features in the Spratly Islands.* If China exploits physical control through a *fait accompli*, then U.S. leaders should tighten alliance relationships and demonstrate that Beijing will pay a long-term cost for destabilizing actions.
- *Scenario 4: A challenge to the Senkaku Islands or Second Thomas Shoal.* If China contests physical control of the Senkaku Islands through pressure tactics, then U.S. leaders should accept calculated risk and tighten the U.S.-Japan alliance. If China contests physical control of Second Thomas Shoal, then U.S. leaders should accept precrisis risk only if the Philippines has engaged with the United States in robust bilateral precrisis planning and coordination.
- *Scenario 5: Land reclamation at Scarborough Shoal.* If China attempts land reclamation at Scarborough Shoal, then U.S. leaders should calibrate their response based on whether the Philippines is also willing to accept calculated risk and tighten the alliance relationship.

Each of these lessons and scenarios is described in the sections that follow.

LESSONS ON COUNTERING GRAY ZONE COERCION

The United States and its allies and partners can improve their efforts to counter maritime coercion by tailoring deterrence strategies, clarifying deterrence commitments, accepting calculated risk, tightening alliances and partnerships, and exercising restraint while demonstrating resolve. Each of these lessons is described in detail below.

Lesson 1: Tailor Deterrence Strategies

Summary: Effective gray zone deterrence requires policymakers to tailor strategies to the specific type of coercion at hand. Four categories of gray zone actions must be differentiated: contestation of rules and norms, exploitation of rules and norms, exploitation of physical control, and contestation of physical control. By categorizing challenges in this way, policymakers can avoid unsuccessful “one size fits all” approaches and better adapt deterrence strategies to specific challenges.

One reason that gray zone deterrence has proved so difficult is that U.S., ally, and partner deterrence efforts have seldom seemed credible to China. For example, many U.S. leaders, including former president Barack Obama, insisted throughout 2015 that China cease “reclamation, new construction, and militarization of disputed areas in the South China Sea.”² However, the United

2. Michael D. Shear, “Obama Calls on Beijing to Stop Construction in South China Sea,” *New York Times*, November 18, 2015.

Table 4.1. Types of Gray Zone Coercion

	Physical Control	Rules and Norms
Contestation	<ul style="list-style-type: none"> - Senkaku Trawler (2010) and Nationalization (2012) Incidents - Scarborough Standoff (2012) and Second Thomas Incident (2014) 	<ul style="list-style-type: none"> - <i>Impeccable</i> Harassment (2009) - "Top Gun" Incident (2014)
Exploitation	<ul style="list-style-type: none"> - Spratlys Reclamation (2013–) - Oil Rig Standoff (2014) 	<ul style="list-style-type: none"> - East China Sea ADIZ (2013)

States made no effort to deny China the ability to conduct reclamation, construction, or militarization, nor did Washington suggest that it would somehow punish Beijing if these activities continued. Given that Chinese leaders had already devoted substantial effort to reclamation activities in the Spratlys, there is little reason to believe that costless U.S. warnings should have changed Chinese calculations. Thus, U.S. statements raised the temperature in the South China Sea and created an expectation that the United States would somehow oppose China’s activities, only serving to highlight the ultimate U.S. failure to deter reclamation, construction, and militarization.

The academic deterrence literature suggests that deterrence strategies need to be tailored to accomplish specific objectives. Tailoring deterrence requires that policymakers distinguish between types of gray zone challenges. We focus on four categories of gray zone coercion. Some gray zone challenges target *physical control* while others target *rules and norms*. Some gray zone tactics *contest* elements of the status quo while others *exploit* elements of the status quo. Combining these two distinctions leads to four different categories of gray zone coercion: contesting rules and norms, exploiting rules and norms, exploiting physical control, and contesting physical control. Table 4.1 shows how the case studies conducted in this report fit into these four categories. In each category, China has different objectives and strategies. Deterrence must likewise be tailored to alter Chinese leaders’ specific cost-benefit calculations in specific situations.

Tailoring Deterrence to Counter Contestation of Rules and Norms

The first type of gray zone coercion is contestation of rules and norms. The central issue at dispute in these cases has been disagreement over whether international law limits military operations in the waters of and airspace above exclusive economic zones. The United States and most other nations insist that it is legal under the United Nations Convention on the Law of the Sea for military platforms to freely fly, sail, and operate in waters beyond territorial seas, including in exclusive economic zones, while China maintains that international law permits restrictions on military activities within those areas. As a result, Beijing has periodically challenged U.S. ships and aircraft conducting “close-in” surveillance near the Chinese coast. Examples of coercive incidents of this type include the 2009 *Impeccable* harassment and the 2014 “Top Gun” incident.

By contesting rules and norms, China's leaders (or, in some cases, rogue commanders) hope to shift rules and norms in China's favor. Rules are often codified in international law, but when the meaning of those provisions is disputed, changing common practice may effectively alter rules and norms. Challenges to rules and norms frequently take the form of what Alexander George and Richard Smoke call "limited probes," which occur "when the initiator creates a controlled crisis in order to clarify the defender's commitments."³ A limited probe is essentially a test, with China seeking information about the degree of its adversary's commitment, but not necessarily intending to escalate. Thus, before starting a limited probe, Chinese leaders must be uncertain about their adversary's commitment and be convinced that escalation risks are minimal. It is not surprising, therefore, that Chinese contesting of rules and norms has typically occurred after new sets of leaders have taken power abroad, such as early in the tenure of new administrations.

Although the United States has not been able to prevent challenges to rules and norms, it has been effective in responding to these limited probes. In the *Impeccable* and "Top Gun" incidents, as well as a number of similar events dating back to the early months of the George W. Bush administration, Washington held firm against Beijing and succeeded in avoiding any change to rules and norms. When China challenged U.S. platforms, the United States sent clear signals that it would not alter its behavior, and that it would accompany surveillance assets operating in international waters or airspace with warfighting platforms, if necessary. This clear messaging has been able to prevent both escalation and a deterioration of the status quo. The lack of involvement of allies or partners in these incidents has also simplified responses, removing the difficulty of adding a third-party to the dispute. Thus, when Beijing seeks to contest rules and norms through coercion, Washington should demonstrate its clear commitment and a willingness to escalate, if necessary.

Tailoring Deterrence to Counter Exploitation of Rules and Norms

The second type of gray zone coercion is exploitation of rules and norms. The issue at dispute in these cases is Beijing's use of existing rules and norms to alter the status quo. Unlike the previous category, this type of coercion is not intended to change rules and norms, but to use those rules and norms to China's benefit. For example, when Beijing announced its East China Sea Air Defense Identification Zone in 2013, it sought to exploit rules and norms by applying aircraft identification procedures to disputed areas. Although the United States and China disagree about whether ADIZ rules follow common practice, the main issue at dispute was the application of existing rules and norms within a disputed area. China's imposition of fishing bans in the South China Sea is another example of this type of action.

By exploiting rules and norms, Chinese leaders hope to use elements of the existing order to their benefit. This approach typically relies on an ultimatum to change the behavior of other states. Alexander George describes ultimatum strategies as having three elements: "(1) a demand of the opponent; (2) a time limit or sense of urgency for compliance with the demand; and (3) a threat of

3. Alexander L. George and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice* (New York: Columbia University Press, 1974), 540.

punishment for noncompliance. . . .⁴ As with the limited probe described above, an ultimatum attempts to alter an opponent's behavior without triggering a major escalation. Yet the ultimatum tests an opponent not by taking a physical action but by making a verbal threat. An ultimatum is usually intended to gain advantage by surprising an opponent, but it succeeds only if an opponent changes its behavior. Thus, an ultimatum intends to alter an opponent's behavior by threatening to enforce heretofore unenforced rules and norms in the context of a dispute.

The United States has had mixed success in responding to ultimatums. For example, the East China Sea Air Defense Identification Zone is still in place and some states have issued guidance for their aircraft to abide by the rules. However, Beijing has not carried out its threats to take action against aircraft operating within the zone that do not follow its aircraft identification procedures. Therefore, although the ultimatum has not been reversed, it has had a minimal effect on state behavior. In short, preventing announcement of an ultimatum is very difficult, but demonstrating the ineffectiveness of an ultimatum is feasible and places the burden of escalation back on Beijing. Thus, in responding to Chinese efforts to exploit rules and norms by issuing ultimatums, the United States and its allies and partners should clarify their commitment to continuing activities that are in accordance with international law while also signaling that they will respond firmly if China attempts to impose ultimatums using force.

Tailoring Deterrence to Counter Exploitation of Physical Control

The third type of gray zone coercion is exploitation of physical control. The issue at dispute in this category is Beijing's ability to utilize disputed waters and territory that it already controls. For example, China has insisted that it has the sovereign right to use the resources in waters that it controls and to reclaim land and construct defensive positions on features that it controls. Examples of efforts to exploit physical control include China's 2014 placement of an oil rig near the Paracel Islands and its land reclamation and construction in the Spratly Islands from 2013 onward.

By exploiting physical control, Chinese leaders hope to reap the benefits of their persistent presence in disputed waters and territories. Beijing does not want to change the behavior of the United States or its allies and partners, but rather seeks to avoid any response whatsoever. The best way to do so is typically to attempt a *fait accompli*. George and Smoke describe a *fait accompli* strategy as an effort "to achieve the objective so quickly so as to deprive the defender of time and opportunity to reverse his policy."⁵ Thus, by attempting *faits accomplis*, Chinese leaders hope to put the onus on other parties to reverse their changes to the status quo. This forces Beijing's opponents to engage not in deterrence, but in compellence, which is inherently more difficult. Such efforts are most likely when Chinese leaders believe that the United States and its allies and partners are not committed to deterrence and are unwilling to take substantial risk to uphold the status quo.

The United States has generally failed to prevent China from exploiting existing physical control in maritime Asia. In some cases, such as land reclamation in the Spratly Islands, the United States has warned China against "reclamation, construction, and militarization," but has not been successful

4. On ultimatum strategies of coercive diplomacy, see Alexander L. George, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War* (Washington, D.C.: United States Institute of Peace, 1992), 7–9.

5. George and Smoke, *Deterrence in American Foreign Policy*, 537.

in stopping these activities. In other cases, such as China's placement of an oil rig in waters disputed by Vietnam (and Taiwan), the United States did not issue a deterrent threat. In the oil rig incident, however, China did withdraw earlier than planned after Vietnam surprised Beijing by launching a sustained effort to challenge the rig's operations. This demonstrates that *faits accomplis* can be reversed if states accept substantial risk to oppose them. The United States has not been willing to accept such risk in these cases because exploitation of existing physical control is viewed as less of a threat to U.S. interests than contestation of physical control or rules and norms. Therefore, when China seeks to exploit physical control to change the status quo, the United States should avoid making deterrent threats that it will not uphold. If it is not committed to taking a risk beyond its interests in a particular case, the United States should instead tighten relationships with its allies and partners to ensure that a crisis does not escalate and to demonstrate to regional states and to China that destabilizing behavior will have a long-term cost in the form of stronger regional opposition to Chinese pressure. Under a more robust strategic framework, the United States might seek to deter future *faits accomplis* by taking riskier actions than its immediate interests seem to warrant, understanding the potential for escalation this situation would incur.

Tailoring Deterrence to Counter Contestation of Physical Control

The fourth and final type of gray zone coercion is contestation of physical control. This is the most risk-prone category of coercion because it represents the greatest potential for significant escalation. Examples of contestation of physical control include the incidents around the Senkaku Islands in 2010 and 2012, the standoff at Scarborough Shoal in 2012, and the harassment at Second Thomas Shoal in 2014. In these cases, Chinese leaders sought to decisively shift the status quo by gaining control of disputed territory or maritime areas that were either uncontrolled or, in more extreme cases, controlled by an adversary. Notably, disputes of this sort are often driven by action-reaction cycles, sometimes triggered by mistakes on the part of U.S. allies.

By contesting physical control of disputed waters and territory, Chinese leaders hope to decisively shift disputes in their favor. Contesting physical control frequently involves direct violation of existing red lines, so escalation is more likely in this case than in the other three. Given this increased risk of U.S. military involvement, Chinese efforts to contest physical control have typically occurred after overreaching by U.S. allies. For example, China's contestation of physical control at Scarborough Shoal in 2012 came after the Philippines appeared to break with convention by using a naval vessel to arrest Chinese fishermen. Similarly, China increased its efforts to contest the physical control of the Senkakus after Japan nationalized several islands in 2012. Thus, Beijing has sought to capitalize on action by U.S. allies that it perceives—and can portray to third countries—as transgressions. China has used these incidents as opportunities to call into question Washington's commitment to stand by its allies. This type of activity is what George and Smoke call controlled pressure, which involves efforts to convince the defender "that he will have great difficulty and incur unacceptable risks if he attempts to honor his commitments" while also eroding the defender's "commitment to the weak ally by undermining the ally's confidence in [the] defender's ability and willingness to honor fully its commitment."⁶ This strategy is most typically used when the defender

6. Ibid., 544.

was clear in its stated commitment but the initiator does not believe it will actually uphold the commitment. Controlled pressure situations are therefore intended to both contest physical control and to create wedge issues for the United States and its allies in maritime Asia.

The United States and its allies have had mixed success in responding to Chinese controlled pressure strategies. Washington stood firmly alongside Japan and the Philippines in the Senkaku Islands and Second Thomas Shoal cases, respectively, and thereby prevented China from gaining control of either. Yet, Washington's vacillation over Scarborough Shoal in 2012 permitted China to successfully wrest control of the shoal from the Philippines. These experiences suggest that the ideal U.S. and ally strategy in these disputes is twofold. First, leaders in Washington and in allied capitals should seek to tighten their relationships to avoid these types of incidents from occurring in the first place. After all, if the United States is going to take a larger role in gray zone deterrence, it is only natural that it would gain more leverage over alliance decisionmaking in the early stages of a crisis. Second, Washington should clearly signal to Beijing that the United States will firmly uphold its commitments and signal a range of potential response options, thereby decreasing the chance of a controlled pressure strategy succeeding. These policies may both decrease the likelihood of contests over physical control and simplify the challenge of de-escalating crises that do occur.

Lesson 2: Clarify Deterrence Commitments

Summary: U.S. deterrence commitments in Asia have long rested on general commitments to defend U.S. allies should they suffer an armed attack. This approach has usually succeeded in deterring conventional military or nuclear attacks, but it has not deterred recent gray zone challenges. Chinese gray zone activities seek to capitalize on ambiguous commitments. Clarity of U.S. commitments, in word and deed, is therefore critical to countering gray zone coercion. Yet, clarifying a commitment should only be undertaken if U.S. leaders are confident that an ally will act with restraint and avoid unnecessary crises or escalations.

Although ambiguity can be useful, particularly in managing complex alliance dynamics, gray zone coercion often uses ambiguity to undermine credible commitments. In particular, there are two forms of clarity that are most effective in shaping an opponent's decisions: clarity about thresholds and clarity of likely responses. The first type of clarity relates to the applicability of deterrence commitments. This form of clarity has proved valuable in the East China Sea, where tensions appear to have stabilized after then-President Obama's public commitment that Article V of the U.S.-Japan Security Treaty applied to the Senkaku Islands. A second type of clarity is specificity about the responses that the United States and its allies and partners would take to counter coercion. As Robert Pape and others have demonstrated, the most credible responses typically rely on deterrence by denial.

When the United States has been clear about its commitments, it has often been successful. For example, in the 2009 *Impeccable* incident, the United States clearly signaled its resolve to continue exercising its legal right to conduct operations within China's exclusive economic zone by sending a destroyer to escort *Impeccable* after the initial incident. At the time, U.S. officials believed that China's carefully orchestrated harassment was a deliberate test that demanded a firm military and diplomatic response. Although *Impeccable* initially withdrew under pressure, it

returned within days, this time accompanied by a U.S. Navy destroyer. Senior U.S. officials also protested Chinese actions and may have threatened to send armed naval escorts on future missions. Rather than escalate and risk a military confrontation, Beijing appears to have been convinced that the U.S. commitment was clear and it therefore chose to end the standoff.

Conversely, when the United States has been ambiguous about its commitments, it has often raised tensions without deterring China or reassuring U.S. allies and partners. For example, the United States has repeatedly called on China to halt its land reclamation and construction activities in the Spratly Islands. Yet, Washington has not been willing to accept sufficient risk to deter Chinese reclamation activities, which might have required substantial escalations such as the use of force to disable dredging equipment. The result has been continued Chinese land reclamation and a growing expectations gap that damages U.S. alliances and undermines the credibility of future deterrent commitments.

In summary, the United States can better counter gray zone coercion by clarifying the applicability of its commitments and making those commitments more credible. Ambiguity is sometimes necessary to prevent an overzealous ally from entrapping the United States in a conflict. Yet, China has repeatedly challenged ambiguous commitments, demonstrating that some U.S. commitments have not been credible. Increasing the clarity of deterrence commitments would require that leaders forgo threats that they do not intend to uphold. In particular, the academic literature and recent experience suggest that the United States is more likely to deter an adversary when practicing deterrence by denial, which requires that leaders in Beijing be convinced that they cannot accomplish their objectives through coercion. This study has already demonstrated that Chinese gray zone actions themselves sometimes reveal bluffs through limited probes and ultimatums. Therefore, when states are unwilling to stand by their deterrent threats, they should avoid attempting to bluff Beijing.

Lesson 3: Accept Calculated Risks

Summary: To deter gray zone coercion, the United States will have to accept risk. U.S. leaders must be willing to demonstrate a tolerance to escalate, either vertically or horizontally, should the situation warrant action. Vertical escalation is often the most credible option—as it is directly connected to the situation at hand—whereas adversaries often remain skeptical of horizontal escalation threats. However, credible horizontal escalation threats can shift the domain of conflict to one where the United States has an advantage. A willingness to consider both kinds of risk is necessary if leaders are to tailor policies to most effectively deter China and uphold U.S. interests.

Acceptance of calculated risk is necessary to deter Chinese coercion, but too often Beijing has succeeded because its adversaries wanted to deter coercion without accepting risk. Making “threats that leave *nothing* to chance” has actually increased Beijing’s confidence that it can coerce without risking escalation. As Christopher Achen and Duncan Snidal warn, deterrence sometimes fails “because the retaliatory threat is absent, incredible, or less valuable than the prize.”⁷ When Beijing undertakes a course of action, it has typically calculated the likely responses and

7. Christopher H. Achen and Duncan Snidal, “Rational Deterrence Theory and Comparative Case Studies,” *World Politics* 41, no. 2 (1989): 152.

determined that the expected benefits of coercion are greater than the likely costs. Yet, actions by the United States and its allies and partners have often fallen short of what would have been necessary to convince Chinese leaders to recalibrate their cost-benefit calculations. As Hugh White notes, “Beijing is gambling that Washington will talk tough but do nothing concrete that would risk a confrontation that might escalate into an open-ended conflict.”⁸

Efforts to avoid unintended escalation can help avoid conflicts, but Sino-American agreements have often mitigated risk in domains that benefit the United States while allowing risk in domains that benefit China. For example, former national security advisor Susan Rice has publicly noted the White House’s commitment to “reducing the risk of unintended incidents,” and stated, “We’ve seen a marked improvement in operational safety since we signed these measures [with China] and believe this engagement is critical to avoid inadvertent escalation.”⁹ To that end, the two navies and air forces have adopted risk management protocols through the Code for Unplanned Encounters at Sea and the U.S.-China Memorandum of Understanding on the Rules of Behavior for the Safety of Air and Maritime Encounters. Such crisis management efforts are laudable; however, China has rebuffed efforts by the United States and others to adopt similar risk management mechanisms for coast guards, an area in which China retains an advantage.¹⁰ Washington has thereby agreed to crisis management mechanisms in domains in which the United States is more capable without making commensurate progress in areas where China is more capable. The unintended consequence of these agreements is that Washington has enabled China to increasingly refine its estimates of Washington’s risk tolerance, including the types of actions it might take in response to particular Chinese actions. As a result, Washington has incentivized Chinese risk taking in gray zones, reducing the effectiveness of U.S. deterrence threats while preserving the effectiveness of Chinese coercive threats.

Risk aversion has proved problematic in several gray zone scenarios. For example, during the 2012 Scarborough Shoal standoff, both the Philippines and the United States consistently sought to avoid risk. Manila initially triggered the crisis by deploying a warship to the shoal, but ultimately withdrew its vessels despite Chinese ships either remaining in or returning to the shoal. For its part, Washington was unwilling to threaten intervention despite trying to use its leverage to broker negotiations between Beijing and Manila. U.S. and Philippine risk aversion resulted in a clear revision of the status quo. This type of risk aversion has given China confidence in its ability to reshape its environment—politically, economically, militarily, and even physically—without incurring a high likelihood of a forceful response.

Nevertheless, states have taken substantial risks in some cases, thereby surprising Beijing and forcing Chinese leaders to de-escalate. For example, in the 2014 oil rig standoff near the Parcel Islands, Vietnam accepted a significant risk of escalation when it directly opposed China’s

8. Hugh White, “China’s Strategy Has Paid Off,” *New York Times*, August 23, 2016.

9. Susan E. Rice, “Prepared Remarks on the U.S.-China Relationship at George Washington University” (speech, Washington, DC, September 21, 2015).

10. The Western Pacific Naval Symposium (WPNS) developed the Code for Unplanned Encounters at Sea (CUES) as a standard protocol for navy ships at sea. While the countries of ASEAN are considering it for their navies—eight of ten ASEAN countries are parties to CUES already—and it has been proposed for ASEAN coast guards, CUES remains a protocol limited to navies of member-countries to WPNS.

placement of an oil rig in disputed waters. It sent dozens of paramilitary vessels to disrupt the rig's operations, despite the obvious asymmetry in capabilities. Notwithstanding the presence of many Chinese civilian, law enforcement, and naval vessels (and reports of Chinese troop mobilizations along the border), Vietnamese ships continued to engage Chinese forces at sea for weeks. Hanoi's commitment ultimately convinced Beijing to withdraw the rig ahead of schedule, rather than continue the standoff. This demonstrates that when China's neighbors or the United States are willing to accept risk, they can successfully counter Chinese coercion and force Beijing to rethink its approach.

Leaders in Washington and in ally and partner capitals must consider the trade-off between the risks of vertical escalation and the risks of horizontal escalation. Scholars have found that vertical escalation threats are usually more effective than horizontal escalation threats because vertical escalation is typically viewed as more credible. Therefore, vertical escalation options—threatening to increase the intensity of a crisis or conflict—should be considered first. If these steps are deemed insufficient to deter coercion, however, policymakers should then examine horizontal escalation alternatives. The value of horizontal escalation is that it can impose substantial costs by using asymmetric advantages in other domains. However, this advantage is often accompanied by lower credibility, undermining horizontal escalation threats. To offset this weakness, policymakers should consider horizontal escalation options that are related to the destabilizing Chinese activity at hand. For example, if China engages in new land reclamation at disputed features, Beijing is likely to view U.S. sanctions on companies engaged in dredging as more credible than general threats to impose tariffs on Chinese goods imported to the United States. These types of commitments carry substantial risk, but increased risk tolerance will be required if U.S., ally, and partner leaders are to deter gray zone coercion.

Lesson 4: Tighten Alliances and Partnerships

Summary: As tensions in maritime Asia grow, the risk that the United States will be drawn into a conflict rises. To maximize the deterrent value of alliances and minimize the risk of unintended escalation, the United States should deepen cooperation with its closest allies in East Asia. In highly committed alliances, tighter relationships can best manage complex extended deterrence dynamics, including not only escalation but also de-escalation. Tighter alliances can better coordinate scenario-based plans, improve command and control mechanisms, and "federate" shared defense capabilities.

If Washington clarifies its deterrence commitments and accepts more risk, it is only natural that U.S. leaders should also seek more integrated alliances to better control escalation dynamics. In several cases, poor coordination between the United States and its allies resulted in overreaching by allies, which Beijing attempted to exploit. Preventing these types of crises requires that the United States be more integrated into gray zone decisionmaking, rather than simply show up when a treaty commitment is broken. Moreover, closer alliances can serve to both deter by aggregation capabilities and simplify efforts to de-escalate crises.

By providing a clearer commitment to the security of its allies and partners, the United States could decrease ally and partner concern about abandonment during a crisis or conflict. Doing so

could also make U.S. entrapment in a conflict more likely. Therefore, the United States should work more closely with allies and partners in the early stages of a crisis. Victor Cha notes that “the prevailing causal proposition is that a country who fears that an ally might pull it into an unwanted dispute will adopt distancing strategies—such as weakening commitments, reducing aid, or even abrogating the alliance contract—to avoid entrapment.”¹¹ Yet Michael Beckley finds that “the rarity of U.S. entanglement suggests that the United States’ current grand strategy of deep engagement, which is centered on a network of standing alliances, does not preclude, and may even facilitate, U.S. military restraint.”¹² Cha notes that one reason alliances do not entrap as frequently as expected is that “states may tighten rather than loosen the alliance in order to exert more direct restraint and stop the ally from taking undesirable actions.”¹³

An example of poor alliance coordination occurred during Japan’s 2012 nationalization of three of the Senkaku Islands. In that case, a perception gap arose between Tokyo and Washington, which resulted in disagreement over how to handle the ensuing crisis, fueling fears of both entrapment and abandonment. Conversely, when the United States has worked closely with allies before and during crises, it has often managed to mitigate the risk of conflict while accomplishing its deterrence objectives. When China harassed Philippine ships headed to Second Thomas Shoal in 2014, Manila and Washington carefully planned and executed a joint mission to resupply the Philippines’ garrison. Chinese vessels had established a continuous presence nearby almost a year earlier, giving alliance managers plenty of time to prepare for blockades and other contingencies. The success of the resupply missions suggests that U.S. and Philippine officials correctly calibrated the operation through close coordination. As this discussion demonstrates, tight alliances are in the U.S. interest, but allies may sometimes reject the types of robust precrisis coordination necessary. In those cases, leaders in Washington should make clear to leaders in allied countries that precrisis coordination is required to obtain a clearer U.S. commitment to accept risk on an ally’s behalf.

How might the United States and its allies and partners tighten their relationships? First, building on existing planning scenarios, the United States and its allies and partners could conduct joint crisis-response planning. These plans would provide templates for how to operate alongside one another in a range of potential contingencies. Such plans have proved effective in the U.S.-South Korea relationship, where counter-provocation plans have helped to deter North Korean coercion and have contributed to greater confidence in the alliance from both Washington and Seoul. Second, allies and partners could enhance and integrate command and control structures. Many countries throughout the region have limited ability to communicate between their own headquarters and forward operating units, forcing decisions to be based on limited information. Increasing U.S. involvement and assistance with command and control arrangements could enable ally and partner militaries to better coordinate responses and to more rapidly de-escalate crises. Third, by tightening alliances and partnerships, the United States could also help to build regional

11. Victor Cha, *Powerplay: The Origins of the American Alliance System in Asia* (Princeton, NJ: Princeton University Press, 2016), 7.

12. Michael Beckley, “The Myth of Entangling Alliances: Reassessing the Security Risks of U.S. Defense Pacts,” *International Security* 39, no. 4 (April 2015): 7–48.

13. Cha, *Powerplay*, 7.

capabilities. In fact, “federating” capabilities by deepening cooperation on the development and acquisition of forces may prove vital if the United States and its allies and partners are to keep pace with China’s rapid military modernization.¹⁴ Basing and access arrangements provide visible demonstration of alliance capability to manage both gray zone and conventional conflicts.

Lesson 5: Exercise Restraint While Demonstrating Resolve

Summary: If the United States embraces a more robust approach to gray zone deterrence, it must at the same time renew its commitment to strategic engagement with China. Clearer U.S. commitments, increased U.S. risk acceptance, and tighter U.S. alliances and partnerships would sound alarm bells in Beijing about Washington’s intentions. Therefore, the United States would need to embark on a parallel effort to reassure Beijing that it still “welcomes the rise of a China that is peaceful, stable, prosperous, and a responsible player in global affairs.”¹⁵

When the Obama administration embarked on its rebalance to Asia, many in Beijing believed that it was aimed at containing China’s rise. Yet, the United States’ relationship with China today is vastly more complex than its Cold War rivalry with the Soviet Union—the most notable example of a U.S.-led strategy of containment. Balancing cooperation and competition has proved difficult for leaders in both Washington and in Asian capitals. In many ways, China appears to be challenging the regional status quo but not the global order. Thus, the Obama administration sought cooperation with China on a host of challenges ranging from climate change to Iran, which cannot be solved without Beijing’s active support. Meanwhile, however, Beijing continued to contest the regional status quo, leaving many commentators calling into question the U.S. approach.

Leaders in China tend to view their actions as fundamentally defensive and those of the United States and its allies and partners in Asia as largely offensive. With this in mind, it is no surprise that some of the most assertive Chinese behavior has followed perceived overreactions by regional states. What Andrew Scobell calls the “Chinese Cult of Defense” predisposes Beijing to see its own actions as inherently benign and justified, especially in disputes over sovereignty and territorial integrity.¹⁶ During the Cold War, China was the second most dispute-prone major power, and most of these disputes were over territory. Once in a militarized dispute, Beijing has tended to escalate to higher levels of force than other countries, especially when the dispute involves the United States.¹⁷ In fact, many Chinese strategists believe that superior U.S. military capabilities make it critical for Beijing to exaggerate its strength and show greater resolve with Washington than with other states.¹⁸

14. See Michael J. Green, Kathleen H. Hicks, and Zack Cooper, *Federated Defense in Asia* (Washington, DC: Center for Strategic and International Studies, December 2014).

15. White House, “Remarks by President Obama and President Xi of the People’s Republic of China in Joint Press Conference,” press release, September 25, 2015.

16. Andrew Scobell, *China’s Use of Military Force: Beyond the Great Wall and the Long March* (Cambridge: Cambridge University Press, 2003), 15.

17. Alastair Iain Johnston, “China’s Militarized Interstate Dispute Behaviour 1949–1992: A First Cut at the Data,” *China Quarterly* 152 (March 1998): 9, 14–15.

18. Alastair Iain Johnston, “The Evolution of Interstate Security Crisis-Management Theory and Practice in China,” *Naval War College Review* 69, no. 1 (Winter 2016): 47.

As Taylor Fravel notes, China has historically been most willing to escalate and use force “against adversaries that possess military forces capable of contesting its control of disputed land . . . [or] in conflicts where it has occupied little or none of the land that it claims.”¹⁹ Both of these conditions may apply to China’s maritime gray zone activities. Using surveys and natural experiments, Jessica Chen Weiss and Allan Dafoe have also found evidence that perceived “foreign provocations increase [China’s] public resolve for war.”²⁰ Therefore, for U.S. leaders to deter Chinese coercion rather than provoke it, they will need to carefully assess which side is triggering and escalating any given incident. If allies and partners appear to be considering actions that could unnecessarily inflame tensions, Washington should be prepared to seek rapid de-escalation and reassure Beijing that it is still an honest broker for regional peace and stability.

Effective deterrence requires assessing and then altering an opponent’s perceptions, so understanding Chinese thinking on crisis management, escalation, and conflict is central to developing effective approaches to countering coercion. Beijing and Washington do not always speak the same language when it comes to deterrence. As Christopher Twomey has shown, “The deaths of millions in the Korean War might have been avoided if China and the United States had read each other’s military signals correctly.”²¹ Iain Johnston has found that a growing body of Chinese literature on crisis management endorses many of the same principles found in the U.S. literature.²² RAND Corporation scholars have also detected an evolution in Chinese thinking over time, particularly “an increasing awareness . . . that conflict may occur as the result of accidental or inadvertent escalation.”²³ Indeed, some observers believe that if fully adopted, many of the insights espoused by Chinese experts “should lead to restraint in interstate crises.”²⁴

Despite these positive signs, Chinese military doctrine is dominated by the operational imperative to “seize the initiative” early in a conflict.²⁵ Some Chinese military texts also speak about a

19. Consistent with preventive war theory, both Johnston and Fravel argue that China is most likely to use force in response to negative (not positive) shifts in its bargaining power. Similarly, Thomas Christensen notes that Beijing typically uses force around closing windows of opportunity or opening windows of vulnerability. M. Taylor Fravel, “Power Shifts and Escalation: Explaining China’s Use of Force in Territorial Disputes,” *International Security* 32, no. 3 (Winter 2007–2008): 47; Johnston, “China’s Militarized Interstate Dispute Behaviour 1949–1992,” 25–29; Thomas J. Christensen, “Windows and War: Change in the International System and China’s Decision to Use Force,” in *New Approaches to China’s Foreign Relations*, ed. Alastair Iain Johnston and Robert Ross (Stanford, CA: Stanford University Press, 2006), 50–85.

20. Allan Dafoe and Jessica Chen Weiss, “Provocation, Nationalist Sentiment, and Crisis Escalation: Evidence from China” (working paper, Uppsala University, June 6, 2016), 5.

21. Christopher P. Twomey, *The Military Lens: Doctrinal Difference and Deterrence Failure in Sino-American Relations* (Ithaca, NY: Cornell University Press, 2010), 3.

22. Johnston, “Evolution of Interstate Security Crisis-Management Theory and Practice in China,” 33.

23. Alison A. Kaufman and Daniel M. Hartnett, *Managing Conflict: Examining Recent PLA Writings on Escalation Control* (Arlington, VA: CNA Corporation, 2016), iv. In 2007, Lonnie Henley expressed concern that PLA academics at the time exhibited a “naïve optimism about China’s ability to control the situation and dictate the course of events.” See Lonnie Henley, “Evolving Chinese Concepts of War Control and Escalation Management,” in *Assessing the Threat: The Chinese Military and Taiwan’s Security*, ed. Michael D. Swaine et al. (Washington, DC: Carnegie Endowment for International Peace, 2007), 105.

24. Johnston, “Evolution of Interstate Security Crisis-Management Theory and Practice in China,” 39.

25. Kaufman and Hartnett, *Managing Conflict*, v.

nebulous state of “quasi-war” or a prewar state of “armed conflict” involving limited or exemplary uses of force.²⁶ Core to Chinese strategic thinking is the Maoist principle of “active defense,” which calls for “gaining mastery after [an] enemy has struck” through quick and controlled escalation, surprise, and preemption.²⁷ Chinese leaders may also believe that outer space and cyberspace present lower thresholds to the use of force than traditional domains of conflict.²⁸ All of these areas pose risks for inadvertent or accidental escalation, which the United States will have to manage carefully both in peacetime and during gray zone incidents and crises.

Effective crisis avoidance and management requires that a more robust deterrence framework be accompanied by a reassurance strategy. The United States should seek to integrate China into the regional and international order, working with other states to adapt those elements that are out-dated. Confidence-building measures are necessary but are not sufficient alone to reassure China, and their successful implementation can be hampered by coercive incidents and crises. One key element missing in recent years from the bilateral relationship has been a trusted set of interlocutors acting on behalf of the presidents of the United States and China. Even when confidence-building measures are practiced by trusted interlocutors, the forces in the Chinese system that support coercive strategies may come from outside Chinese diplomatic circles. Therefore, part of U.S. engagement strategy should be to force dialogue between “hawks” and “doves” within the Chinese system.

RECOMMENDATIONS FOR APPLYING GRAY ZONE DETERRENCE LESSONS

This report suggests that U.S. leaders and their regional counterparts should tailor deterrence strategies, clarify deterrence commitments, accept calculated risks, tighten alliances and partnerships, and exercise restraint while demonstrating resolve. The recommended mix of these policies depends on the specifics of the crisis at hand. As described in the previous section, leaders must differentiate among four types of gray zone challenges, each of which entails different Chinese objectives and strategies, and different optimal response options.

U.S. and regional strategies for countering the types of scenarios described in Table 4.2 must be differentiated. Therefore, the final pages of this study apply the report’s recommendations to five potential future scenarios: unsafe air or sea intercepts, announcement of a South China Sea air defense identification zone, militarization of the Spratly Islands, challenges to the Senkaku Islands or Second Thomas Shoal, and land reclamation at Scarborough Shoal.

26. Ibid., iv–v.

27. Forrest E. Morgan et al., “China, Force, and Escalation: Continuities between Historical Behavior and Contemporary Writings,” in *Dangerous Thresholds: Managing Escalation in the 21st Century* (Santa Monica, CA: RAND Corporation, 2008), 182–186.

28. Forrest E. Morgan et al., “China’s Thinking on Escalation: Evidence from Chinese Military Writings,” in *Dangerous Thresholds*, 75.

Table 4.2. Potential Future Scenarios of Gray Zone Coercion

Contestation of Physical Control	Contestation of Rules and Norms
<p><i>Possible scenarios:</i> Senkaku Islands challenge or Second Thomas blockade</p> <p><i>Likely Chinese strategy:</i> Controlled pressure</p> <p><i>Optimal U.S./ally response:</i> Tighten alliance relationship and accept calculated risk</p>	<p><i>Possible scenario:</i> Unsafe air or sea intercept in East or South China Sea</p> <p><i>Likely Chinese strategy:</i> Limited probe</p> <p><i>Optimal U.S. response:</i> Clarify commitment and accept calculated risk</p>
Exploitation of Physical Control	Exploitation of Rules and Norms
<p><i>Possible scenario:</i> Spratly Islands militarization</p> <p><i>Likely Chinese strategy:</i> Fait accompli</p> <p><i>Optimal U.S./ally response:</i> Tighten alliance relationship and exercise restraint</p>	<p><i>Possible scenario:</i> South China Sea Air Defense Identification Zone</p> <p><i>Likely Chinese strategy:</i> Ultimatum</p> <p><i>Optimal U.S. response:</i> Clarify commitment and exercise restraint</p>

Scenario 1: Countering Unsafe Air or Sea Intercepts

In a repeat of a relatively frequent scenario, Chinese vessels or aircraft could challenge U.S. forces conducting routine and legal operations in international waters or airspace. These types of operations typically involve limited probes designed to test whether foreign forces will cease “close-in” surveillance under pressure. This type of coercion challenges the rights of military ships and aircraft to operate wherever international law allows, including in exclusive economic zones. Such challenges to international rules and norms are most likely to occur after a change in U.S. political leadership, which could alter U.S. risk acceptance. However, isolated incidents may also be driven by local commanders or miscalculation, requiring different approaches.

As in the *Impeccable* and “Top Gun” incidents, Washington should continue to be unequivocal about the right of all states to conduct surveillance operations within other states’ exclusive economic zones. If U.S. surveillance platforms are forced to withdraw to avoid dangerous intercepts, U.S. leaders should return surveillance vessels escorted by armed combat platforms, if necessary, demonstrating a clear willingness to accept risk. Senior U.S. officials should convey U.S. concerns directly to Beijing, express the U.S. expectation that China will cease such intercepts, and consider making photographic and video evidence available to the press. If ally or partner ships or aircraft are interfered with, the United States may also want to volunteer to escort these assets to show that China will be unsuccessful in changing not only U.S. behavior, but also that of U.S. allies and partners. If intercepts continue or worsen, senior U.S. officials should warn Beijing that the United States will escalate horizontally by actively supporting efforts to conclude a Code of Conduct. Unless Beijing makes a strategic decision to actively contest foreign military operations in the East China, South China, or Yellow Seas, a clear demonstration of U.S. commitment and a consistent willingness to accept risk should be sufficient to repel limited probes of this type.

Scenario 2: Countering a South China Sea Air Defense Identification Zone

In a step that some experts have forecast for several years, Beijing could announce an air defense identification zone in the South China Sea. An ADIZ announcement would serve as a warning to the United States and China's neighbors that Beijing will enforce limits on aircraft operating in the South China Sea. This type of ultimatum would apply China's interpretation of existing rules and norms to benefit Chinese interests and would likely be accompanied by efforts to enforce a South China Sea ADIZ. Therefore, many experts believe that such an ADIZ is most likely to be announced after Chinese aircraft have begun routinely operating from China's three airfields in the Spratly Islands, in order to ensure that the PLA is capable of actually monitoring the entire South China Sea region that might be included in an ADIZ.

In responding to an ADIZ, Washington should recognize that despite the Obama administration's rhetoric, it is unlikely to prevent Beijing from declaring an ADIZ. In fact, the United States should communicate to China that it respects Beijing's right to establish an ADIZ. Nevertheless, U.S. and regional leaders should limit the coercive effect of an ADIZ by being clear about the rules that they believe should be followed. For example, they should continue to operate military aircraft as they had beforehand, since those aircraft have a legal right to operate in international airspace. The United States should also communicate to Beijing that Washington would oppose use of an ADIZ to challenge another state's administration of disputed territory. The United States and its allies and partners should jointly counter any effort to enforce rules that deviate from this standard. Furthermore, the United States should work with regional states to coordinate military operations to demonstrate this recognized right to operate in international airspace. Meanwhile, U.S. leaders should publicly highlight their views of international rules on the establishment and enforcement of air defense identification zones before an ADIZ is announced. These steps are unlikely to stop an ADIZ announcement, but could incentivize China to better align any future ADIZ with existing rules and norms.

Scenario 3: Countering Militarization of Reclaimed Features in the Spratly Islands

Another possible scenario is that Beijing could unmistakably militarize some or all of the seven features that it occupies in the Spratly Islands. In joint remarks with then-President Obama at the White House in September 2015, President Xi Jinping stated, "China does not intend to pursue militarization."²⁹ Since that date, Beijing has constructed shelters for fighter jets and other aircraft, deployed advanced radar systems, and installed point defenses. Many experts expect that China will eventually place fighter aircraft, anti-ship missile batteries, air defense systems, and other more offensively-oriented military equipment on the features. Militarization might take the form of a *fait accompli*, to ensure that Chinese systems reach the islands and are capable of defending themselves before a challenge from China's neighbors or the United States.

The United States and its allies and partners have little likelihood of preventing militarization of the Spratly Islands. Given that China already has control of these seven features, Beijing likely knows that the United States and its allies and partners are unwilling to accept severe costs to prevent

29. White House, "Remarks by President Obama and President Xi."

militarization of the Spratlys. Therefore, Beijing would likely be skeptical about the credibility of any U.S. threat to prevent or roll back militarization. Although some experts have suggested that the United States could increase the number of freedom of navigation operations near the features, this might actually encourage Beijing to militarize them, without providing a clear and credible commitment that would deter such behavior. Since freedom of navigation operations only demonstrate that the United States disputes an excessive maritime claim, they have little bearing on what happens on the features themselves. As a result, the best option is to warn China that it will pay a long-term cost for militarizing the Spratlys, but to avoid making direct military threats unless it is prepared to act on them. Washington should also restrain allies and partners from making unrealistic threats in an effort to stop Chinese militarization. If tactical tit-for-tat responses are not advisable, it may still be possible to reassure allies and partners that U.S. resolve is credible by taking actions that would decrease fears of abandonment in foreign capitals.

This lesson only applies to cases in which a U.S. ally unequivocally signals its desire to share the burdens of a tight alliance. Clarifying deterrence commitments could result in a heightened risk of entrapment for the United States that is best managed, in part, with combined planning and consultations. If an ally seeks instead to distance its planning and actions before or during crises, the United States is still bound to honor the letter of its treaty commitment but should not otherwise accept substantial precrisis risk. In such situations, the United States may want to preserve a specific treaty commitment but maintain flexibility about the timing or manner by which that commitment would be fulfilled.

Scenario 4: Countering a Challenge to the Senkaku Islands or Second Thomas Shoal

The fourth type of scenario is a direct challenge to physical control of the Senkaku Islands or Second Thomas Shoal. Both are included here because they are claimed by China but under the control of U.S. allies. China could intensify its controlled pressure strategy over either the Senkakus or Second Thomas Shoal by increasing its presence using layers of fishing vessels, coast guard ships, and military platforms. In the Senkakus, the objective might be to challenge the Japan Coast Guard to match Beijing's high operational tempo or force Tokyo to escalate by using Japanese Maritime Self-Defense Force vessels, thereby putting pressure on the U.S.-Japan alliance and enabling China to deploy navy vessels in reaction to a perceived escalation by Japan. At Second Thomas Shoal, China might seek to prevent the Philippines from resupplying marines on the *Sierra Madre*, again raising the chance that Manila might give China an opportunity to do damage to the U.S.-Philippine alliance. In either case, a sustained harassment campaign or blockade is most likely, but an extreme crisis would occur if Chinese military personnel landed on the disputed features.

Policymakers in Washington have, at various times, made clear statements and accepted substantial risk to uphold these alliance commitments. Obama reassured Tokyo that the Senkakus are covered by Article V of the U.S.-Japan Security Treaty, and U.S. officials have previously reassured the Philippines that the South China Sea was part of the Pacific for the purposes of the U.S.-Philippine Mutual Defense Treaty. If Chinese pressure reaches a level that Washington finds unacceptable, U.S. forces would likely be deployed to backstop U.S. allies. This willingness to accept risk suggests that these situations present the highest risk of escalation, given that all sides

have clear commitments. If Beijing attempts to increase pressure at either feature, U.S. leaders would have to accept risk of either substantial escalation or alliance damage. For this reason, U.S. leaders should work with the allies ahead of time to tighten coordination, drawing lessons from the U.S.-South Korea counter-provocation planning efforts. For example, Japanese leaders have expressed interest in contingency planning with the United States for Senkakus scenarios. A first step in this direction would be a broader strategic dialogue on counter-coercion strategies. This would improve crisis responses, minimize alliance tensions, demonstrate a strong deterrent to China, and enable more effective de-escalation to diffuse a crisis. If tensions continue, Washington could warn Beijing that it might upgrade its commitments by stating that the Senkakus are Japanese territory or that the U.S.-Philippine Mutual Defense Treaty definitively applies to attacks on Philippine forces on Second Thomas Shoal and elsewhere in the South China Sea.

All of these options entail significant risk, but U.S. interests are directly at risk when China uses controlled pressure to contest physical control of ally-administrated features. Therefore, U.S. leaders should be most willing to accept substantial risk in this category of gray zone activity. As with the previous scenario, however, this recommendation applies most clearly to cases in which a U.S. ally has unequivocally signaled its desire to share the burdens of a tight alliance. If an ally seeks instead to distance its planning and actions before or during crises, the United States is still bound to honor the letter of its treaty commitment but should not otherwise accept substantial precrisis risk. In such cases, many gray zone challenges may not meet the threshold for direct U.S. intervention.

Scenario 5: Countering Land Reclamation at Scarborough Shoal

A final possible scenario involves Chinese land reclamation at Scarborough Shoal. In early 2016, rumors began to circulate that China planned to attempt land reclamation at Scarborough Shoal, with several U.S. officials going so far as to warn publicly about this threat.³⁰ Unlike the previous four scenarios, this scenario does not fall cleanly into one category of coercion. Instead, land reclamation at Scarborough Shoal would involve multiple categories, including contestation of rules and norms (namely, the prohibition against “inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features” in the 2002 Declaration on the Conduct of Parties in the South China Sea) and exploitation of physical control (to the extent that China has control over Scarborough Shoal today). Moreover, a Chinese base at Scarborough Shoal would have unique military implications because facilities used by the U.S. military in the Philippines would be within the range of China fighter aircraft and short-range missile forces.

Given this multitude of reasons to be concerned about land reclamation at Scarborough Shoal, the United States should continue to take a tough position there, unless the Philippines distances itself from the United States to such a degree that it precludes sufficient alliance coordination. Although it is difficult to deter Beijing once it has asserted control over a feature, Scarborough’s unique geographic location and the failed 2012 U.S.-brokered disengagement plan warrant a concerted U.S. deterrence effort. In fact, the determined effort that the Obama administration made in early

30. David Brunnstrom and Andrea Shalal, “Exclusive: U.S. Sees New Chinese Activity around South China Sea Shoal,” Reuters, March 19, 2016.

2016 may have paid dividends.³¹ Contrary to predictions at the time, China has not reclaimed land at Scarborough. Nevertheless, the United States should remain on guard against a *fait accompli* strategy designed to construct at Scarborough before the United States or the Philippines can respond.

Previous U.S. deterrence efforts should be viewed as a first step—a robust U.S. military presence in the area will have to be sustained to demonstrate continued U.S. risk acceptance. In order to improve alliance coordination and increase the opportunity for policymakers to act, Washington should concentrate substantial intelligence, surveillance, and reconnaissance assets on monitoring both Beijing’s political discussion about Scarborough and China’s dredging vessels themselves. If Beijing attempts to send these vessels to the shoal, the United States and the Philippines will have to respond rapidly, so prior coordination will be required. Clear and credible commitments may be necessary to prevent land reclamation at Scarborough Shoal, but the United States should only be willing to accept substantial precrisis risks if the Philippines is willing to engage in a tight alliance, including close coordination before and during crises.

A STRATEGIC FRAMEWORK FOR COUNTERING CHINESE COERCION

Chinese gray zone coercion directly undermines U.S. interests in Asia, as well as those of regional states. Washington’s actions—or inactions—in response to gray zone coercion have often allowed Beijing to set the terms in the competition and to undertake a series of destabilizing activities. Countering gray zone coercion in maritime Asia entails risk, but U.S. interests merit a more robust and tailored set of policies from the next administration.

To counter coercion in maritime Asia, we recommend that the United States and its allies and partners tailor deterrence strategies, clarify deterrence commitments, accept calculated risks, tighten alliances and partnerships, and exercise restraint while demonstrating resolve. By differentiating among various types of gray zone challenges, U.S., ally, and partner leaders can better respond to Chinese efforts to contest and exploit physical control as well as rules and norms. If leaders adopt these policies, they will be better positioned to counter future gray zone incidents, such as unsafe air and sea intercepts, a South China Sea air defense identification zone, militarization of the Spratly Islands, challenges to the Senkaku Islands and Second Thomas Shoal, or land reclamation at Scarborough Shoal.

Although this study has focused on how to deter specific incidents of Chinese maritime coercion, it is also necessary to move beyond tactical scenario analysis to a more strategic deterrence framework for countering Chinese coercion writ large. Such a strategic approach will need to assume more calculated risks for the United States than a deterrence framework of incident management may seem to warrant. Even for cases in which the United States is unwilling to accept the level or types of risk necessary to deter Chinese coercion, U.S. leaders may nevertheless take steps to counter its secondary effects on the regional balance of power and perceptions of resolve and

31. Zack Cooper and Jake Douglas, “Successful Signaling at Scarborough Shoal?,” *War on the Rocks*, May 2, 2016.

credibility. For example, while U.S. policymakers were unable to prevent announcement of a Chinese East China Sea Air Defense Identification Zone, they still took steps to reassure U.S. allies and partners who might have otherwise questioned U.S. capability and commitment to uphold the rules-based order. These actions included demonstrating that the United States would not comply with the illegitimate elements of the new rules, in order to reassure regional states that the United States was still committed to regional security.

In particular, when Chinese actions undermine regional security, the United States should seek to reinforce the credibility and capability of its alliances and partnerships. Strengthening alliances and partnerships is necessary in these cases because destabilizing Chinese actions call into question U.S. commitment, credibility, and resolve. Moreover, the alignment of regional states is in many senses the center of gravity in the competition between the United States and China. Therefore, strengthening U.S. alliances and partnerships in response to Chinese coercion ensures that China pays a long-term cost for destabilizing short-term behavior. Additional steps might include the United States clarifying or restating its commitments, deploying more military forces forward, and engaging in more robust joint planning and exercises. To be effective, such steps must be tailored to credibly communicate that the United States and its allies and partners will act to deter and if necessary defeat future Chinese gray zone challenges in cases where they have sufficient capabilities and interests at stake. In this way, the United States can ensure it fulfills the deterrence principles of “a threat that leaves something to chance.” This has the potential, over time, to alter the cost-benefit calculations of Chinese leaders. Conversely, if Beijing is unwilling to abandon its destabilizing behavior, strengthened U.S. alliances and partnerships will be necessary to deter future coercive actions.

At the same time, the United States must seek to avoid a dynamic that only feeds instability in the region. Adopting a more robust deterrent posture and strengthening alliances and partnerships could risk encouraging the “spiral model,” which Robert Jervis describes as occurring when “threats and an adversary posture . . . lead to counteractions with the ultimate result that both sides will be worse off than they were before.” The risks of such spirals are substantial, even when states are focused simply on protecting themselves and deterring their adversaries. Therefore, Jervis suggests: “States must employ and develop ingenuity, trust, and institutions if they are to develop their common interests without undue risks to their security.”³² Efforts to increase trust, crisis management mechanisms, and other institutional arrangements among China, the United States, and U.S. allies and partners are therefore vital to deter coercion without triggering an unnecessary conflict.

32. Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 2015), 67.

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