STATEMENT OF
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FOR
ASIAN & PACIFIC SECURITY AFFAIRS
BEFORE THE SENATE
COMMITTEE ON FOREIGN RELATIONS
MAY 13, 2015
Introduction

Thank you very much Chairman Corker. Thank you also to Ranking Member Cardin and the members of the committee for inviting me to speak with you today.

I’m pleased to be here to discuss maritime developments in the Asia-Pacific, including how issues like China's land reclamation in the South China Sea affect U.S. security interests. I’m particularly pleased to testify alongside my long-time colleague and friend, Assistant Secretary Danny Russel.

I’d like to start by saying that this is an important issue and a timely hearing. I certainly share your concerns about recent developments in the East and South China Seas. Before I discuss my views on the problem in more detail, I’d like to lay out some of the context for the recent developments in the region.

East China Sea

In the East China Sea, through a persistent military and paramilitary presence as well as the announcement in November 2013 of a new Air Defense Identification Zone, China continues to engage in actions that appear designed to challenge Japan's administration of the Senkaku Islands. As President Obama noted in Tokyo last year and reiterated again last week during Prime Minister Abe’s visit, "our treaty commitment to Japan's security is absolute, and Article 5 covers all territories under Japan's administration, including the Senkaku Islands" -- a point that Secretaries Carter and Kerry also reaffirmed with their Japanese counterparts on Monday, April 27, 2015, during the "2+2" meeting in New York. We have been clear, and remain so, that while we do not take a position on the question of sovereignty, the islands are under the administration of Japan. We will continue to oppose any unilateral action that seeks to undermine Japan's administration.

South China Sea

The challenges we face in the SCS, while troubling, are not new. In fact, the territorial and maritime disputes are decades old. These disputes are centered around three primary areas: the Paracel Islands, claimed by China Taiwan, and Vietnam; Scarborough Reef, claimed by China, Taiwan, and the Philippines; and the Spratly Islands (which include over 200 features, most of which are underwater) claimed all or in part by Vietnam, the Philippines, China, Malaysia, , and Taiwan. Indonesia's maritime claims also project into the South China Sea.

Over the past two decades, all of the territorial claimants, other than Brunei, have developed outposts in the South China Sea, which they use to project civilian or maritime presence into surrounding waters, assert their sovereignty claims to land features, and monitor the activities of other claimants. In the Spratly islands, Vietnam has 48 outposts; the Philippines, 8; China, 8; Malaysia, 5, and Taiwan, 1. All of these same claimants have also engaged in construction...
activity of differing scope and degree. The types of outpost upgrades vary across claimants but broadly are comprised of land reclamation, building construction and extension, and defense emplacements. Between 2009 and 2014, Vietnam was the most active claimant in terms of both outpost upgrades and land reclamation, reclaiming approximately 60 acres. All territorial claimants, with the exception of China and Brunei, have also already built airstrips of varying sizes and functionality on disputed features in the Spratlys. These efforts by claimants have resulted in a tit-for-tat dynamic which continues to date.

**China’s activities**

While other claimants have upgraded their South China Sea outposts over the years, China’s land reclamation activity vastly exceeds these other claimants’ activities. Since 2014, China has reclaimed 2,000 acres — more land than all other claimants combined over the history of their claims. When combined with a range of activities, including: assertion of its expansive Nine-Dash Line claim, relocation of oil rigs in disputed maritime zones, efforts to restrict access to disputed fishing zones, and efforts to interfere with resupply of the Philippine outpost at Second Thomas Shoal, we see a pattern of behavior that raises concerns that China is trying to assert de facto control over disputed territories, and strengthen its military presence in the South China Sea.

We are concerned that the scope and nature of China’s actions have the potential to disrupt regional security. China’s actions and increased presence could prompt other regional governments to respond by strengthening their military capabilities at their outposts, which would certainly increase the risk of accidents or miscalculations that could escalate. In contrast to China, the other claimants have been relatively restrained in their construction activities since the signing of the China-ASEAN Declaration of Conduct (DOC) in 2002. This restraint may not hold in the face of China’s unprecedented altering of the post-DOC status quo.

Furthermore, China’s ultimate intentions regarding what to do with this reclaimed land remain unclear. A Chinese spokesperson said on April 9 that it was carrying out reclamation work to “better perform China’s international responsibility and obligation in maritime search and rescue, disaster prevention and mitigation, marine science and research.” However, the Spokesperson also said China will use this construction to better safeguard “territorial sovereignty and maritime rights and interests… (and for)…necessary military defense.” This is not reassuring.

Militarily speaking, China’s land reclamation could enable it, if it chose, to improve its defensive and offensive capabilities, including: through the deployment of long-range radars and ISR aircraft to reclaimed features; ability to berth deeper draft ships at its outposts and thus to expand its law enforcement and naval presence further south into the South China Sea; and, airstrips will provide China with a divert airfield for carrier-based aircraft, enabling China to conduct more sustained air operations. Higher end military upgrades, such as permanent basing of combat
aviation regiments or placement of surface-to-air, anti-ship, and ballistic missile systems on reclaimed features, would rapidly militarize these disputed features in the South China Sea.

To be clear, the United States welcomes China's peaceful rise. We want to see a reduction – not an escalation – of tensions in the South China Sea, we want to see a diplomatic solution to these disputes, and we want constructive relations between China and other claimants. But as the President pointed out on April 9, “(w)here we get concerned with China is where it is not necessarily abiding by international norms and rules, and is using its size and muscle to force countries into subordinate positions.” These concerns are amplified when put into the broader context of China’s rapidly increasing, and opaque defense budget – a budget that has more than doubled since 2008. As well as China’s comprehensive military modernization effort that includes investments in capabilities such as ballistic missiles, anti-ship cruise missiles, and counter-space weapons. Though increased military capabilities are a natural outcome of growing power, the way China is choosing to advance its territorial and maritime claims is fueling concern in the region about how it would use its military capabilities in the future. Having these capabilities _per se_ is not the issue – the issue is how it will choose to use them.

China’s actions are not viewed solely in the context of territorial and maritime disputes; they are viewed as indicators of China’s long-term strategic intentions. China’s unwillingness to exercise restraint in its actions or transparency in its intentions is deepening divisions between China and its neighbors, as ASEAN leaders expressed collectively at the last ASEAN Summit in April. As a result, our allies and partners are seeking to deepen their defense, security and economic relationships with us and with each other. China could reduce strategic uncertainty by taking concrete steps to: clarify or adjust its Nine Dash Line claim in order to bring it into accordance with international law as reflected in the Law of the Sea Convention; to renounce any intent to claim a territorial sea or national airspace around any artificial features formed by China’s reclamation activities; halt reclamation activity and enter into discussions with other claimants about establishing limits to military upgrades in the South China Sea (either unilaterally and voluntarily as a confidence-building measure or in coordination with other claimants); and rapidly conclude a binding South China Sea Code of Conduct with ASEAN member states.

**Current DoD Activities**

DoD is taking action to protect U.S. national interests in the South China Sea: peaceful resolution of disputes, freedom of navigation and overflight and other internationally lawful uses of the sea related to these freedoms, unimpeded lawful commerce, respect for international law, and the maintenance of peace and stability. These objectives are directly linked to the continued prosperity and security of the United States and the Asia-Pacific region. We therefore have a strong interest in how all claimants, including China, address their disputes and whether maritime claims accord with international law.
First, we are committed to deterring coercion and aggression and thereby reinforcing the stability of the Asia-Pacific region, and we are taking proactive steps to do so. Our primary effort in this regard is to work to refresh and modernize our long-standing alliances. With Japan, we concluded last week an historic update to our bilateral Guidelines for U.S.-Japan Defense Cooperation, with an eye to enhancing the ability of the U.S.-Japan Alliance to support peace and security across the region and the globe. With the ROK, we are developing a comprehensive set of Alliance capabilities to counter the growing range of threats on the peninsula, while expanding our ability to tackle global challenges together. And in Australia and the Philippines, we signed ground-breaking agreements in 2014 that will provide enhanced access for U.S. forces while greatly expanding the combined training opportunities for our alliances.

To expand the reach of these alliances, we are embarking on unprecedented “trilateral” cooperation – in other words we are networking our relationships. In some cases this cooperation directly benefits our work on maritime security. For example, we’re cooperating trilaterally with Japan and Australia to strengthen maritime security in Southeast Asia and explore defense technology cooperation.

Second, we are adapting our overall defense posture in the region to be more geographically distributed, operationally resilient, and politically sustainable. For example, we’re shifting our Marines from a concentrated presence in Okinawa to Australia, Hawaii, Guam, and mainland Japan. We are already leveraging changes in our force posture to make existing engagements more robust. Our rotational deployments of Littoral Combat Ships to Singapore has provided the U.S. Navy with its first sustained forward presence in Southeast Asia since the closing of Subic Bay in the early 1990s and has opened the door for greater training and engagement opportunities with our allies and partners in Southeast Asia.

We are also leveraging the assets we have in theater to maintain and enhance our visible presence in the Asia-Pacific, and the South China Sea. This presence not only reinforces our regional diplomacy, it also deters provocative conduct and reduces the risk of miscalculation in the area. The Department maintains a robust regional presence in and around the South China Sea. In an average month, U.S. military forces are conducting multiple port calls in and around the South China Sea, flying regular regional ISR missions, conducting presence operations, and exercising with allies and partners like the Philippines and Malaysia, all while maintaining a persistent surface ship presence with routine transits throughout the area. For example, our new Littoral Combat Ship, the USS Fort Worth, recently concluded a successful naval engagement with the Vietnamese Navy that included a full day of at-sea activities. And before her deployment is done, the LCS will have completed bilateral Cooperation Afloat Readiness and Training (CARAT) with seven different Asia-Pacific partners.

Third, we are working with governments in the region to improve their maritime security capacity and maritime domain awareness in order to increase regional transparency and deter further conflict. In the Philippines, for example, we recently concluded the Enhanced Defense
Cooperation Agreement and have transferred vessels to help our ally police its own waters and are helping to build a National Coast Watch System that will improve Manila’s awareness of its maritime domain. The Philippines has also been the largest recipient of U.S. Foreign Military Financing (FMF) funds in the region. These funds have been used to assist the Philippines with communications interoperability, maritime interdiction boats, shipyards capacity and patrol vessel upgrades. We are also providing equipment and infrastructure support to the Vietnamese Coast Guard and are helping to support effective maritime security institutions there. Last October, the U.S. government took steps to allow for the future transfer of maritime security related defense articles to Vietnam. We have three annual dialogues with Vietnam on defense cooperation – the Defense Policy Dialogue; Bilateral Defense Dialogue; and Political, Security, and Defense Dialogue.

To support efforts to improve the maritime domain awareness of our allies and partners, we are encouraging greater information sharing in the region. PACOM will be hosting a workshop with our ASEAN partners next month to discuss lessons-learned and best practices in maritime domain awareness, to include information sharing. We also support initiatives from within the region like the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) Information Sharing Center and Changi Information Fusion Center in Singapore to encourage greater collaboration among our allies and partners to establish a timely and accurate common operating picture of maritime activities in the region.

Furthermore, DoD has a robust slate of training exercises and activities with many allies and partners in Asia, and we have begun incorporating a maritime focus into many of these engagements. Exercise Balikatan, our premier joint exercise with our Philippine allies, ended last week and is a great example of a longstanding exercise with a key ally that has evolved to meet new security challenges. This year’s Balikatan focused on a territorial defense scenario off the Sulu Sea. This is the largest of more than 400 planned events we have with the Philippines to assist this important ally with a credible defense of its borders and territorial waters. We also conduct regular bilateral naval exercises with the Indonesians, including Cooperation and Readiness Afloat (CARAT) and Sea Surveillance Exercises (SEASURVEX) that focus on improved interoperability through maritime patrols, surveillance, vessel boarding, fixed and rotary wing naval aviation. The most recent SEASURVEX took place 6-10 April out of Batam, Indonesia, which included a flight portion over the South China Sea.

We’re also creating new defense engagements where needed. The Marines, for example, participated in their first amphibious exercise with the Malaysian Armed Forces last year. For the first time, last August, the US trained with the Malaysia Armed Forces in Eastern Sabah for MALUS AMPHEX 2014. MALUS AMPHEX 2015 is scheduled for later this summer. We are also conducting routine CARAT exercises with Malaysia with the next scheduled for the summer where, as with Indonesia, we will focus on, among other things, navigation and communications, interoperability and maritime air surveillance.
While the United States is doing a lot to help build partner capacity and regional cooperation on maritime security challenges, we aren’t doing it alone. There is broad agreement on the importance of maritime security and maritime domain awareness, and we’re working closely with our friends in Australia, Japan, South Korea, and elsewhere to coordinate and amplify our efforts toward promoting stability and prosperity in Asia.

Fourth, we are seeking to reduce the risk of miscalculation and unintentional conflict with China in the South China Sea or elsewhere in Asia. To do so, we continue to speak out against China’s disruptive behavior publically and privately. We also continue to call on China to clarify its Nine Dash Line claim under international law. And we will continue to urge all claimants to exercise self-restraint and pursue peaceful and diplomatic approaches to their disputes.

At the same time, we are also working to build transparency and improve understanding with China through mil-to-mil ties. Over the past year, through initiatives like the confidence-building measures our two Presidents agreed to last fall, we have made significant and prudent progress in our bilateral defense relationship. This year, we will be working to complete another measure that aims to prevent dangerous air-to-air encounters. In addition, we have institutionalized several key defense policy dialogues to include the Under Secretary-led Defense Consultative Talks and the Assistant Secretary-led Asia-Pacific Security Dialogue where we discuss a range of regional security issues, including our concerns about the South China Sea. We also hold discussions on operational safety in the maritime domain at the Military Maritime Consultative Agreement Talks.

Conclusion

In conclusion, we share the committees’ concerns about China’s land reclamation and appreciate this opportunity to give you a sense of our thinking. We are deeply engaged with the State Department, the NSC, and other interagency partners in adapting our integrated, whole of government response to meet evolving challenges. We are actively assessing the military implications of land reclamation and are committed to taking effective and appropriate action. In addition to building our own capabilities, we are also building closer, more effective partnerships with our allies and partners in the region to further peace and stability.

The United States is a resident power in the Asia-Pacific. In addition to our significant economic and security interests in the region, we have more than 7,000 miles of Pacific coastline and more than 16 million citizens who trace their ancestry to the Asia-Pacific. Given the importance of the Asia-Pacific to our interests, we owe it to the American people to think, not just about the challenges of today, but also the potential problems of tomorrow. And in this respect, our regional friends and partners should rest assured -- we will continue to protect security and promote prosperity of the Asia-Pacific and above all, we will honor our commitments.