

China's Global Naval Strategy and Expanding Force Structure: Pathway to Hegemony

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Chairman Nunez, Ranking Member Schiff, distinguished members of the committee; I am here at your invitation to testify on China's global naval strategy and its related massive expansion of its force and overseas logistics support structure. My assessment of this imminent and ever-increasing global maritime threat follows, as well as my recommendations for actions our country must take to avoid geo-political defeat and, quite likely, a major naval disaster.

You know that by trade I'm a U.S. Navy Intelligence Officer. I'm a different kind of China hand than the ones that usually testify before your committee. My expertise is not in interpreting what Chinese Communist Party officials really think, or analyzing what think tank scholars say. Instead, I spent 28 years watching what China does with its navy -- like Jane Goodall watching gorillas -- every day, observing and recording their movements. Then I analyzed their activities and projected what they'll do next. Today I will share my projections regarding China and its increasing--and increasingly threatening--global expansion. The strategic balance has shifted in the PRC's favor and against America's security and interests.

China's unilateral expansion into and through the international waters within the First Island Chain—or what Beijing now calls China's "Blue Territories"—over the past six

¹ Acknowledgments: The author would like to thank Anders Corr, Kerry Gershanek, Claudia Rosett, and Dako Xiaweiyi for their generous efforts to improve this testimony. Any errors or shortcomings are the author's alone.

years has dramatically altered the strategic balance of power in the Indo-Asia Pacific region.

In addition to building of a modern, blue-water Navy, the PRC has taken a wide range of destabilizing actions that pose an increasingly threat to global security. These actions include the PRC's construction of naval air stations atop buried coral reefs in the South China Sea, including Mischief Reef within the territory of our ally the Philippines; their declaration of an Air Defense Identification Zone (ADIZ) in the East China Sea near Japan, their claims of sovereignty over the Senkaku Islands, and their flat out repudiation of the authority of the Permanent Court of Arbitration, the world's oldest standing international law arbitral body.² The threatening actions also include China's unprecedented and increasing naval operations in the Western Pacific, South Pacific, Indian Ocean, the Mediterranean and Baltic Seas, the Arctic and Antarctic and finally into the Atlantic Ocean: these actions are clear empirical indicators of China's future malign intentions and actions.

These intentions and actions position China's military forces, particularly its navy, air and missile forces, and rapidly expanding marine corps, as the arbiters of a new global order--one that stands opposed to U.S. national interests and values, and those of our friends and allies. China has spent billions of dollars on a military that can achieve the Chinese Communist Party's dreams.

I'll repeat myself, as it's crucial to firmly and quickly establish why the PRC's rapid, global, and very expensive naval expansion matters. The Chinese Communist Party is engaged in a total, protracted struggle for regional and global supremacy. This supremacy is the heart of the "China Dream". China's arsenal in this campaign for supremacy includes economic, informational, political, and military warfare. The campaign at its heart is opportunistic; we have already witnessed them expand into the vacuum of a diminishing United States in East Asia.

² Permanent Court of Arbitration Case No 2013-19 in the matter of the South China Sea arbitration - before - an arbitral tribunal constituted under Annex VII to the 1982 United Nations Convention on the Law of the Sea - between - the Republic of the Philippines - and - the People's Republic of China, 16 July 2016, <https://pca-cpa.org/wp-content/uploads/sites/175/2016/07/PH-CN-20160712-Award.pdf>.

If one has not read Xi Jinping's words and realized the supremacist nature of the "China Dream" and carefully watched the nature of China's "rise", then one might innocently ask the obvious question: "Why does it matter that the PRC seeks regional, or even global hegemony?"

That is, why can't the world simply abide a "rising China", a seemingly benign term so often employed by Beijing's propaganda organs and PRC supporters worldwide. After all, fewer would be concerned if, say, a "rising Brazil" or a "rising India" sought regional hegemony and proclaimed a desire to "lead the world into the 21st Century".

The answer goes to the heart of the nature of China's leadership, and what it does.

Under the CCP, the PRC is an expansionist, coercive, hyper-nationalistic, military and economically powerful, brutally repressive, totalitarian state.

The world has seen what happens when expansionist totalitarian regimes such as this are left unchallenged and unchecked. In a world of this type of hegemon, people are subjects—simply property—of the state, and ideals such as democracy, inalienable rights, limited government, and rule of law have no place.

Clear empirical indicators directly contradict the oft-quoted pledge by China's leaders of their commitment to pursue a "peaceful rise", one in "harmony" with the rest of Asia and the world. By its expansionist actions and words, China has challenged the post-WW II norms of international behavior and, most importantly, the peace and stability the Indo-Pacific region has enjoyed over the past 70 years.

For instance, in spite of having a GDP per capita on a par with the Dominican Republic, China's leadership has invested staggering amounts of national treasure in a world-leading complex of ballistic missiles, satellites, and fiber-linked command centers with little utility but to destroy U.S. aircraft carriers on demand. With China's children kept indoors because of hazardous levels of pollution, a health care system in crisis, toxic rivers, a demographic time bomb caused by government-directed population expansion and then forced contraction, and only one third the GDP per

capita of the United States, Beijing chooses to spend its precious resources on better ways to kill Americans and her allies.

Much of that investment has gone into the PLA Navy. The momentum created by the PLA Navy's rapid advances in the maritime domain threatens to do for the rest of the world what the Communist Party has done for China and the neighbors it has conquered, like Xinjiang and Tibet, or politically and economically dominates like Cambodia or Laos, as the PRC pursues what President Xi calls his "China Dream".

The PLA Navy is China's point of the spear in its quest for global hegemony. As I speak to you today, the PLA Navy consists of over 330 surface ships and 66 submarines, nearly 400 combatants. As of 4 May 2018, the U.S. Navy consists of 283 battle force ships: 211 surface ships and 72 submarines.³ By 2030, it is estimated the PLA Navy will consist of some 550 ships: 450 surface ships and 99 submarines.⁴ As currently debated in the halls of the Congress and Pentagon, it remains unclear if the U.S. Navy of 2030 will even reach a total of 355 ships and submarines.

Numbers matter. In the past, it was fair to say that numbers of hulls, or even tonnage, wasn't a complete measure of force-on-force capabilities, and that American technology would outweigh the PLAN's numbers. Today, it is no longer credible to make that argument. From a technological standpoint, the PRC has quickly achieved parity with U.S. Navy standards and capacities for warship and submarine production. PLA Navy ships and submarines do not have to match U.S. naval capabilities precisely: they just have to be good enough to be able to achieve more hits to win any given battle. That said, the quality of PRC warships already presents a credible threat across the Asia-Pacific today. Consequently, we should be gravely concerned about America's ability to deter or defeat the PRC's naval spear.

³ United States Navy, 4 May 2018, http://www.navy.mil/navydata/nav_legacy.asp?id=146.

⁴ James E. Fanell and Scott Cheney Peters, "Maximal Scenario: Expansive Naval Trajectory to "China's Naval Dream", Chapter 15 of Andrew Erickson's "Chinese Naval Shipbuilding: An Ambitious and Uncertain Course (Studies in Chinese Maritime Development), U.S. Naval Institute Press, January 2017.

We do not have much time left—certainly not until the year 2030 when the PRC’s navy will be double the size of the U.S. Navy.

For reasons I will lay out shortly, the window of vulnerability—the decade of greatest concern—begins in less than 24 months. If some currently unintended event does not provoke a military confrontation before then, we have until 2020—the deadline that Xi Jinping has given the PLA to be ready to invade Taiwan. From that point on, we can expect China to strike.

My detailed assessment of this imminent and ever-increasing maritime threat follows, as well as my recommended actions our country must take to avoid geopolitical defeat globally and a likely naval disaster, the likes of which we have not experienced since the early, dark days of World War II.

A Chinese Maritime Dream

In 2013, as President Xi Jinping unveiled his “China Dream” in a speech to the People’s Republic of China’s (PRC) National People’s Congress, China Central Television (CCTV) aired the week-long series “Shaping China’s Tomorrow,” exploring what Chinese people think about the Dream. What is noteworthy is that CCTV began the series with the story of a PLAN East Sea Fleet-based Executive Officer just returned from his third escort mission in the Gulf of Aden. LCDR Shi Lei related that when he joined the People’s Liberation Army Navy (PLAN) a decade prior, he had never envisioned sailing so far from land, but now believes the PLAN will one day have a “blue-water navy whose sailors can take on any mission on the open sea.

Significantly, this CCTV series vignette symbolizes China’s shift in maritime strategy over the past decade, from solely a “near seas active defense” strategy to a national maritime strategy based on responsibilities and presence across the global maritime domain. Not surprisingly, it aligned President Xi’s call for China to become “a strong maritime power” with former President Hu Jintao’s direction to “resolutely safeguard

China's maritime rights and interests, and build China into a maritime power."⁵ Since the end of the 9th Five-Year Plan in 2000, the PRC has embarked on an ambitious naval construction program that dramatically increased the PLAN and China Coast Guard's (CCG) blue water operations within the First and Second Island Chains, while substantially increasing far seas deployments around much of the globe.

The theme of China's national rejuvenation has only increased during the first five years of President Xi's rule. For instance, at the 19th National Party Congress of the Chinese Communist Party (CCP) in October 2017, Xi Jinping stated, "The theme of the Congress is: remain true to our original aspiration and keep our mission firmly in mind...and work tirelessly to realize the Chinese Dream of national rejuvenation."⁶

Most importantly, Xi and the CCP's realization of the "China Dream" of national rejuvenation, and restoration, is firmly linked to, and dependent upon, a global naval capability. The PRC has both the will and the means to push for rapid increases in the PLAN's order-of-battle in support of an expanding set of missions to fulfill their "China Dream". Undergirding this thesis are China's present and future naval construction capabilities and capacity, successful ongoing expansion of naval operations, and official advocacy for a modern, global naval force—one that is already posing a very serious challenge for its neighbors and the U.S. Navy.

This projection is based on several assumptions. First, regardless of potential domestic political or economic difficulties, China's leaders will continue investment "in the Navy, Coast Guard, and maritime industries to more actively and effectively assert its security and economic interests in the coming decades."⁷ Second, China will continue to enjoy a military shipbuilding cost advantage over rivals.⁸ And third,

⁵ "Full text of Hu Jintao's report at the 18th Party Congress," *Xinhua*, 17 November 2012, www.china-embassy.org/eng/zt/18th_CPC_National_Congress_Eng/t992917.htm.

⁶ Xi Jinping, "Full text of Xi Jinping's report at 19th CPC National Congress", *China Daily*, 4 November 2017, http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm.

⁷ Office of Naval Intelligence, *The PLAN—New Capabilities and Missions for the 21st Century*, (April 2015), p. 5.

⁸ Gabe Collins and Andrew Erickson, "U.S. Navy Take Notice: China is Becoming a World-Class Military Shipbuilder," *Diplomat*, 1 November 2012, <http://thediplomat.com/2012/11/u-s-navy-take-notice-china-is-becoming-a-world-class-military-shipbuilder/>.

China will master the technical advances required to overcome issues arising from the production and incorporation of advanced naval systems—from phased array radars to nuclear reactors.

While Beijing prefers to achieve their strategic aims with military intimidation rather than combat, as it did at Scarborough Shoal in 2012, it is also clear the PRC is prepared to use military force to achieve its strategic goals as it has already done to deadly effect earlier in the Paracel and Spratly Islands. Those goals are, first, to consolidate their perceived territory, largely in the maritime domain of the First Island Chain--a precondition for compelling the submission of Taiwan--and, second, to exert its influence and power around the globe.

Force Structure Expansion and Military Modernization

Over the course of nearly two decades the PLA has benefited from the CCP's military modernization effort, the largest by any nation since the end of World War II. This transformation has not been limited to the procurement of combat platforms like ships, submarines, aircraft, tanks and rockets, but has also included areas from combat support services to command and control and civil-military integration. Throughout these years the PLA has been charged with the overarching goal of “realizing the Chinese Dream and the dream of building a powerful military.”⁹ President Xi has made clear that the CCP has “developed a strategy for the military under new circumstances, and have made every effort to modernize national defense and the armed forces.”¹⁰

Military and Command Reorganization

Since taking office, Chairman Xi has restructured the PLA in China's seven military regions into five theater commands. He also reorganized the Central Military Commission by establishing and subordinating the army's service headquarters, raising the stature and role of the strategic missile, air, and naval forces, and

⁹ Xi Jinping, “Full text of Xi Jinping's report at 19th CPC National Congress”.

¹⁰ Ibid.

establishing a Strategic Support Force (SSF) to integrate space, cyber, and electronic warfare capabilities.¹¹

Furthermore, by early 2016, President Xi had reorganized and streamlined the senior echelons of the PLA by discarding “the PLA’s four traditional general departments in favor of 15 new CMC functional departments.”¹² To put a capstone on this transformation, Xi announced that the Central Military Commission (CMC) would now be in charge of the “overall administration of the PLA, People’s Armed Police, militia, and reserves” with new theater commands (sometimes referred to as joint war zones) focusing on combat preparedness. Meanwhile, the various services would be responsible for the development of, what in the United States are called, the Title 10 Authorities to man, train, and equip the force.¹³

Also of significant concern, Xi has placed authority over China’s Coast Guard under the Central Military Commission. The Coast Guard, Asia’s largest, is no longer under the civilian State Oceanic Administration. It now falls under Xi’s direct command through his control of the People’s Armed Police.¹⁴

A closer examination of each of the forces is necessary to appreciate their rapidly expanding capabilities.

The PLA Navy (PLAN)

Since the end of the 9th Five-Year Plan in 2000, the PRC has embarked on an ambitious naval construction program that dramatically increased the PLAN and China Coast Guard (CCG)’s blue water operations within the First and Second Island

¹¹ Michael S. Chase and Jeffrey Engstrom, “China’s Military Reforms: An Optimistic Take,” *Joint Force Quarterly* 83, 4th Quarter (October 2016), pp. 49–52.

¹² Ibid.

¹³ Ibid.

¹⁴ David Tweed, “China’s Military Handed Control of the Country’s Coast Guard”, *Bloomberg*, 26 March 2018, https://www.bloomberg.com/news/articles/2018-03-26/military-control-of-china-coast-guard-adds-edge-to-sea-disputes?utm_source=Sailthru&utm_medium=email&utm_campaign=EBB%203/27/18&utm_term=Editorial%20-%20Early%20Bird%20Brief.

Chains while substantially increasing “far seas” deployments around much of the globe.¹⁵

With the realization of the “China Dream” firmly linked to a global naval capability, China’s leaders are on the cusp of achieving their military and economic goals. They are rapidly increasing the PLAN’s order-of-battle in support of an expanding set of global missions to fulfill their “China Dream” of national restoration and rejuvenation, which will in turn fuel and secure their global economic expansion through the \$1.6 trillion “Belt and Road Initiative” (BRI). Previously called the One Belt One Road (OBOR), it spans 80 countries.¹⁶

While official Chinese documents describe the BRI as purely commercial and “win-win” for participants, studies have shown that internal PRC discussion of the BRI characterizes it as a stealthy conduit of political influence and not only maritime—but naval expansion.¹⁷ The BRI was previously known as the Maritime Silk Road. Between 2000 and 2014 in the transport and storage sectors, China committed \$126 billion in these sectors.¹⁸ These commitments led to port deals worldwide that provide extensive expansion opportunities. China’s present and future naval construction capabilities and capacity, successful ongoing expansion of naval operations, and official advocacy for a modern, global naval force is already posing a challenge for its neighbors and the U.S. Navy.¹⁹

The PLAN’s expansion from 2000 to 2018 far exceeds the buildup in any other nation’s navy in the post–World War II era, save for the U.S. Navy during the Ronald W. Reagan years of the 1980s. The reason is simple: for China’s leaders to achieve

¹⁵ James E. Fanell and Scott Cheney Peters, “Maximal Scenario: Expansive Naval Trajectory to “China’s Naval Dream”, Chapter 15 of Andrew Erickson’s “Chinese Naval Shipbuilding: An Ambitious and Uncertain Course (Studies in Chinese Maritime Development), U.S. Naval Institute Press, January 2017.

¹⁶ Devin Thorne and Ben Spevack. “Harbored Ambitions: How China’s Port Investments are Strategically Shaping the Indo-Pacific”, Washington, DC: C4ADS, 2017; Brook Larmer. “Is China the World’s New Colonial Power?”, *New York Times*, 2 May 2017, <https://www.nytimes.com/2017/05/02/magazine/is-china-the-worlds-new-colonial-power.html>.

¹⁷ Ibid.

¹⁸ AidData. “By the Numbers: China’s Global Development Footprint”, College of William & Mary, <http://aiddata.org/china>.

¹⁹ Op. cit., Fanell and Peters, January 2017.

their vision of a “rejuvenated” and “restored” China, they need a fleet that can expand China’s interior lines out into the maritime domain.²⁰ In other words, they need naval, air, missile and expeditionary forces that can take China’s regional military dominance and intimidation to the global realm. Due to atrophy of U.S. naval forces over the last decade, Beijing’s goal is expected to be realized -- by 2020.

Concurrent with the PLAN modernization has been the changing pattern of its operations. Instead of continuing its role as a coastal naval force operating within 50 nm of China’s coast, today the Chinese Navy has pushed out into the blue water of the Pacific Ocean and beyond (figures 1 and 2). An examination of PLAN blue water operations during the past 15 years reveals “China’s ambitious naval modernization has produced a more technologically advanced and flexible force.” This evolving naval force will provide Beijing with the capability to successfully conduct a military campaign within the First Island Chain (for instance to take Taiwan or the Senkaku Islands).²¹

Figure 1: PLA military capabilities 2000



Figure 2: Expanding military capabilities 2015



²⁰ In this instance, the term *interior lines* refer to a warfighting strategy whereby the lines of movement and communication within an enclosed area are shorter than those on the outside.

²¹ “The PLAN - New Capabilities and Missions for the 21st Century”, *Office of Naval Intelligence*, April 2015, p. 13, http://www.oni.navy.mil/Intelligence_Community/china.html.

(Source: Order of battle based on author's compilation of open source data. Build rate derived from Ronald O'Rourke, China Naval Modernization: Implications for U.S. Navy Capabilities--Background and issues for Congress (Washington, DC: Congressional Research Service, 2014), pp. 27-29)

This transformation has required a new force structure, one that has increased both the number and type of naval platforms. With respect to far seas operations the Office of Naval Intelligence (ONI) reported that the PLAN's "diversified missions and far seas operations" during the previous decade had stimulated an operational shift and catalyzed the acquisition of new multi-mission platforms.²² These multi-mission platforms are perfectly suited for naval combat against naval forces tasked to defend Japanese Southwest Islands and Taiwan, and U.S. naval forces globally as well.²³

The PLAN's ability to confront and deny access to U.S. naval forces regionally is now widely recognized, but its ability to confront--and defeat--U.S. naval forces globally merits more attention than it has received.

In Professors James R. Holmes and Toshi Yoshihara's article, "Taking Stock of China's Growing Navy: The Death and Life of Surface Fleets," they correctly assert the PLAN is "particularly well-suited to seize islands."²⁴ They hypothesize that PLAN assault forces will be led by surface combatant strike groups comprised of its premier combatant, the Type 052D Luyang III-class guided missile destroyers, the Type 054C Luyang II-class guided missile destroyers, the Type 054A Jiangkai III-class guided missile frigates, and the Soviet-built Sovremenny-class destroyers.

These surface action strike groups can provide withering naval gunfire support for an amphibious landing force with their superior arsenal of anti-ship cruise missiles (ASCM). They have greater range, speed and survivability. These combatants would also provide a sea-based air defense that would constrain or even preclude U.S. or allied air operations near an amphibious operation.²⁵ Given China's superior number of advanced surface combatants, "it is far from clear that the United States

²² The PLA Navy, pp.10-11.

²³ Ibid.

²⁴ James R. Holmes and Toshi Yoshihara, "Taking Stock of China's Growing Navy: The Death and Life of Surface Fleets," *Orbis* 61, no. 2 (Spring 2017): 276, <https://doi.org/10.1016/j.orbis.2017.02.010>.

²⁵ Holmes and Yoshihara, "Taking Stock of China's Growing Navy," p. 277.

retains its accustomed supremacy,” especially in a Taiwan Invasion or Senkaku Islands campaign where naval warfare will determine mission success.²⁶

Regarding the Senkakus, in addition to China’s Maritime Law Enforcement (MLEF) and Peoples Armed Forces Maritime Militia (PAFMM) ships, and the largest civil fishing fleets on the planet, PLAN forces have also increased their operations in and around the Senkaku Islands since 2012. Prior to 2012, PLA Navy warships generally patrolled on the west side of the median line. Since 2012, Chinese warships have been operating for sustained periods of time east of the median line. This trend culminated on 19 June 2016, when the Japanese destroyer Setogiri confirmed that a PLA Navy Jiangkai I-class frigate had entered the contiguous zone of the Senkaku Island of Kuba.²⁷

Following this pattern, the PRC has also been “tightening the noose” around Taiwan over the last two years. In April, the PLA engaged in its largest ever attack exercises in the Taiwan Straits, in the first live-fire exercises there since 2015. In addition, PLAAF nuclear-capable aircraft circled the island repeatedly during the month in efforts to intimidate the Taiwan government and populace. Other PLAAF aircraft circling Taiwan included multiple fighter jets, H-6K bombers, and early warning airplanes.²⁸ PLA forces involved in the assault exercises reportedly included some 10,000 personnel, 76 fighter jets, 48 naval vessels, a nuclear powered submarine, and the PLAN’s aircraft carrier Liaoning (CV-16) conducting its first carrier strike group operations in the waters of the Philippine Sea just east of Taiwan.²⁹

The challenge for the defending force of allied and U.S. warships operating within the First Island Chain is compounded by China’s ability to bring the firepower of all

²⁶ Ibid., p. 280.

²⁷ “Situations in East/South China Seas, West Pacific Ocean and Sea of Japan,” slide 5.

²⁸ Zhang Zhihao, “Beijing Warns Taiwan of ‘further action’”, China Daily, 27 April 2018, <http://www.chinadaily.com.cn/a/201804/27/WS5ae25c2aa3105cdcf651ac55.html>; Matthew Carney, “China to start live-fire military drills off Taiwan amid rising tensions over relationship with US”, ABC News Australia, 17 April 2018, <http://www.abc.net.au/news/2018-04-18/china-kicks-off-live-fire-military-drills-off-taiwan/9669154>.

²⁹ “China’s Aircraft Carrier Drills Near Taiwan”, 23 April 2018, <https://www.maritime-executive.com/article/china-s-aircraft-carrier-drills-near-taiwan - gs.Q56pigE>

three of its fleets into the sea area around these Islands.³⁰ In addition, China's naval firepower will come from a densely populated submarine force armed with supersonic, sea-skimming, 290-nm-range YJ-18 ASCM, as well as air-delivered ASCMs from PLA Air Forces.

With these surface, subsurface, and air forces at hand in the East China Sea, the PLA Navy has the capability to conduct a short, sharp war to fulfill its pledge of taking Japan's Senkaku Islands. The U.S. and allies have insufficient capabilities in the region and could easily lose a conventional war in the Senkakus if China strikes first. Taiwan would pose greater challenges for the PRC, but the PRC now has a significant capability to launch a devastating no-warning attack on the island democracy.

Further, while the PLAN's forays by flotillas into European and African waters have drawn public attention, of greater concern is the PRC's increasing ability to sustain those forces from a widening web of PRC-controlled naval logistic bases. In developing the so-called Maritime Silk Road, Chinese firms have snapped up control of ports in Australia, Cambodia, Indonesia, Malaysia, Brunei, Myanmar, Bangladesh, Sri Lanka, Pakistan, Djibouti, Tanzania, Mauritius, Namibia, and Greece. These ports have been developed for military purposes, and many will control strategic choke points such as the Straits of Malacca and the Suez Canal. Most of China's port deals are for a period of 99 years or more.³¹

The Commander of U.S. Pacific Forces warned Congress earlier this year that China's naval "presence and influence are expanding" thanks in large part to the commercial network created by the Belt and Road Initiative. The PRC is using state-owned companies and politically linked private firms to create a network of facilities designed to provide logistical support to deployed PLAN warships, employing a "first civilian, later military" approach to port development across the region. Chinese

³⁰ The First Island Chain is a chain of archipelagos near the coast of the East Asian continental mainland. It includes the Kuril Islands, the Japanese Archipelago, Ryukyu Islands, Taiwan, the northern Philippines, and Borneo.

³¹ Op. cit., Thorne and Spevack, 2017.

warships are already taking advantage of the dual-use possibilities of commercial ports, bolstered by laws that oblige Chinese transportation firms working overseas to provide replenishment for navy vessels.³²

PLA Navy Amphibious Forces

Perhaps the most important aspect to any successful Chinese maritime sovereignty campaign involves the act of physically occupying islands within the First and Second Island Chain. The key to holding these contested islands is the ability to successfully move forces ashore to seize and hold the ground.

China continues to build and train its naval and amphibious forces in the art of expeditionary warfare, a skill set easily applied to regional island seizure or global force projection campaigns. In addition to the Taiwan Straits live-fire exercises alluded to previously, in the South China Sea recently Chinese Marines conducted amphibious assault exercises utilizing amphibious dock landing ships, air-cushion landing craft, and ship-borne helicopters.³³ This type of training is ubiquitous across the East and South China Sea, and is the most tangible evidence of the PLA's intention of being prepared to conduct such a mission.

One facet of President Xi's transformation of the PLA includes a dramatic expansion of the PLA Marine Corps (PLAMC) to 100,000 personnel—an enormous increase for a nation ostensibly devoted to the Five Principles of Peaceful Coexistence, and in reality threatened by no other. According to the South China Morning Post, “two special warfare brigades had already been incorporated into the PLAMC, raising the forces' complement of soldiers to 20,000.”³⁴ These new PLAMC forces will be dispatched to far-flung installations like Gwadar, Pakistan, and the new PLA Navy base in Djibouti. They will thereby effectively threaten our African and South Asian allies, and buttress China's allies operating in these regions, including Russia,

³² Keith Johnson, Dan De Luce, “One Belt, One Road, One Happy Chinese Navy”, *Foreign Policy*, 17 April 2018, <https://foreignpolicy.com/2018/04/17/one-belt-one-road-one-happy-chinese-navy/>.

³³ “Air Cushioned Landing Craft Participate in Beach Landing Exercise,” *PLA Daily* (Beijing), 28 March 2017, http://english.chinamil.com.cn/view/2017-03/28/content_7542339_6.htm.

³⁴ “China Poised to Expand its Marine Corps,” *People's Daily* (Hong Kong), 14 March 2017, <http://en.people.cn/n3/2017/0314/c90000-9190362.html?override=1>.

Pakistan and Iran. They also threaten Taiwan and the Senkakus with potential invasion, as well as islands and countries in East Asia and Southeast Asia more generally. Growth of PLAMC personnel is necessary to tip the balance of power in these regions from favoring the U.S. and allies, to favoring China's growing maritime and territorial ambitions.

To provide the amphibious lift needed for this vastly expanded Marine Corps, China is producing an increasing number of high-end, large amphibious warships, and is intent on building many more over the near term. According to the Office of Naval Intelligence, as of 2015 the PLA Navy has 56 amphibious warships, ranging from a few World War II-era landing ships to four of the large, modern Yuzhao-class Type 071 amphibious transport dock ship that provides a substantially greater capacity and formidable capability than older landing ships.³⁵ The Yuzhao-class ship is perfectly fitted for a wide range of island campaigns, including for Taiwan, the Senkakus, the South China Sea, and force projection into the Indian Ocean and globally. It can hold up to four of the new air cushion landing craft as well as four or more helicopters, armored vehicles, and troops.³⁶

Not content with the Yuzhao, China has announced it "has started building a new generation of large amphibious assault vessels that will strengthen the navy as it plays a more dominant role in projecting the nation's power overseas."³⁷ The PLA Navy commander, Vice Admiral Shen Jinlong, reportedly visited the Hudong-Zhonghua Shipbuilding Company in Shanghai in March 2017, where the new ship, identified as the Type 075 landing helicopter dock, is under construction.³⁸

The Type 075 is much larger than any other amphibious warship previously built for the PLA Navy, and is uniquely suited to an opposed island seizure campaign and global force projection. It can carry a much larger number of attack and transport

³⁵ *The PLA Navy*, pp. 13 and 18.

³⁶ *The PLA Navy*, p. 18.

³⁷ Minnie Chan, "China Building Navy's Biggest Amphibious Assault Vessel, Sources Say," *South China Morning Post* (Hong Kong), 29 March 2017, <http://www.scmp.com/news/china/diplomacy-defence/article/2083109/china-building-navys-biggest-amphibious-assault-vessel>.

³⁸ Chan, "China Building Navy's Biggest Amphibious Assault Vessel."

helicopters (as many as 30) and has the ability to launch 6 helicopters simultaneously.³⁹

For a PRC amphibious assault force, this greatly enhanced heli-borne assault capability is critically important. For example, in a regional Senkaku Islands seizure campaign, the closest PLA airfield to the Senkaku Islands from which the PLA could launch attacking helicopters against islands is farther than 180 nm away. The Type 075 will provide the critical element for the PLA to be able to project boots on the ground to targeted islands throughout the Western Pacific, and pose a credible threat to military targets globally.

At the current rate of amphibious assault ship production, by the early 2020s, the PLA Navy and Marine Corps will be well resourced and ready to take islands within the First Island Chain--or objectives as far away from the PRC's shores as needed.

The Demand Signal

While a detailed PRC shipbuilding plan for the next 15 years has not been made public, analysis of available evidence allows for the extrapolation of the numbers of ships and submarines China will need by 2030 to achieve their national goals. The following are assessed as most important for China's future naval trajectory and its justification for a 550-ship/submarine Navy: 1) Near Seas Active Defense operations, 2) Far Seas operations, 3) "Good will" deployments, 4) Surge operations, 5) the Belt and Road Initiative, 6) Carrier Strike Group operations, 7) Amphibious Assault Group operations, and 8) Submarine Launched Ballistic Missile patrols.⁴⁰

PLA Air Forces

³⁹ Ibid.

⁴⁰ As derived from James E. Fanell and Scott Cheney Peters, "Maximal Scenario: Expansive Naval Trajectory to "China's Naval Dream", Chapter 15 of Andrew Erickson's "Chinese Naval Shipbuilding: An Ambitious and Uncertain Course (Studies in Chinese Maritime Development), U.S. Naval Institute Press, January 2017.

On 23 November 2013, the PRC abruptly declared an air defense identification zone (ADIZ) in the East China Sea.⁴¹ While the ADIZ was portrayed to be about protecting China's mainland, it represents just how important Beijing views the air domain in any attempt to take Taiwan, the Senkaku or Spratly Islands.

Since the East China Sea ADIZ declaration, the PLA Air Force (PLAAF) has increased the scope and scale of flights in and around the Senkaku Islands. In December 2012, a China maritime surveillance aircraft entered the Senkaku Islands' territorial airspace—for the first time in 50 years.⁴² This event, which went unopposed except for public statements, ushered in an era of expanded PLAAF activities in the East China Sea, where fighter, airborne warning and control, signal and electronic intelligence aircraft, and unmanned aerial vehicles have expanded their air operations farther southeast toward the Senkaku Islands.⁴³

As a result of this strategy shift, Japanese Air Self Defense Force (JASDF) fighters increased their reactions to Chinese aircraft probing Japan's ADIZ, from approximately 300 events in 2012 to nearly 700 in 2016.⁴⁴ And while JASDF reactions to the PLAAF were less in 2017, due in large part to the CCP's 19th National Party Congress, the overall increase in PLAAF air activity directed towards Japan's airspace caused the JASDF to double the number of their interceptors from two to four fighter aircraft, a clear indication of the concern Japan has about the strategic trend line of the PLAAF.⁴⁵

⁴¹ "Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the P. R. C.," *Xinhua* (Beijing), 23 November 2013.

⁴² Hiroko Tabuchi, "Japan Scrambles Jets in Islands Dispute with China," *New York Times*, 13 December 2012, http://www.nytimes.com/2012/12/14/world/asia/japan-scrambles-jets-in-island-dispute-with-china.html?_r=0.

⁴³ "Situations in East/South China Seas, West Pacific Ocean & Sea of Japan", briefing from Japan's Ministry of Defense, February 2017, slide 4.

⁴⁴ "Situations in East/South China Seas, West Pacific Ocean and Sea of Japan," slide 4.

⁴⁵ Franz Stefan-Gady, "Japan Doubles Number of Fighter Jets Used for Intercepting Chinese Warplanes", 28 February 2017, <https://thediplomat.com/2017/02/japan-doubles-number-of-fighter-jets-used-for-intercepting-chinese-warplanes/>.

In addition, the PLAAF has completed an aggressive transition from being an exclusively territorial air defense force to one that today routinely operates over the vast distances of the high seas within the First and Second Island Chains.

For instance, in 2013, the PLAAF began flights into the Western Pacific Ocean via the Miyako Strait, and have since averaged between five and six events per year with multiple aircraft.⁴⁶ The aircraft types conducting flights included bomber, fighter, refueling, electronic intelligence, and airborne early warning aircraft, all attesting to the comprehensive nature of how China would employ air power to help secure and maintain its control over the Senkaku Islands.

Adding complexity to the air domain, the PLAAF conducted “its first-ever exercise over the western Pacific via the Bashi Channel” in late March 2015.⁴⁷ Despite PLAAF public assertions that these drills were routine and not targeted against “any particular country, regions or targets,” there is little doubt that PLA air forces (PLAAF and PLANAF) entering the Philippine Sea via the Bashi Channel or the Miyako Strait provide the PLA with considerable operational and tactical flexibility in any Island Seizure attack campaign within the First Island Chain.⁴⁸

The PLAAF announced in mid-September 2016 that it would conduct regular exercises flying past the first island chain.⁴⁹ True to its word, the PLAAF has conducted flights through the Miyako Strait and Bashi Channel, like on 3 March 2017 when China sent 13 aircraft through the Miyako Strait.⁵⁰ According to the Japanese

⁴⁶ “Situations in East/South China Seas, West Pacific Ocean and Sea of Japan,” slide 8.

⁴⁷ “China Air Force in West Pacific Drill,” *Xinhua* (Beijing), 21 May 2015, http://www.xinhuanet.com/english/2015-05/21/c_134259412.htm.

⁴⁸ *Ibid.*

⁴⁹ Jesse Johnson, “ASDF Scrambles Jets as China Sends More Fighters and Bombers through Miyako Strait as Part of Large Drill,” *Japan Times* (Tokyo), 3 March 2017, <https://www.japantimes.co.jp/news/2017/03/03/national/china-sends-planes-miyako-strait-large-scale-drill/- .WvVPby-B0cg>

⁵⁰ *Ibid.*

Ministry of Defense, this was “the largest number of foreign planes Japan has scrambled jets for since such data first became available in 2003.”⁵¹

The PLAAF also now routinely sends bombers to threaten Japan, Guam, and our ASEAN allies. On 28 March 2018 the PLAAF sent six H-6K bombers, one Tu-154 and one Y-8 intelligence, surveillance and reconnaissance aircraft through the Miyako Strait into the Western Pacific to conduct what the PLAAF said were “long-range operational capabilities”--simply put--attack training profiles for strikes on Guam, while sending Su-35 fighters on their first combat patrol over the South China Sea.⁵² And most recently, on 11 May, the PLA’s Eastern and Southern Commands dispatched two groups H-6K bombers, accompanied by KJ-2000 airborne early warning aircraft and Su-35 and J-11 fighters, in counter and clockwise patterns from the Chinese mainland through the Miyako Strait and Bashi Channel demonstrating the PLAAF’s ability to operate under “high-sea conditions” against Taiwan.⁵³

The increasing proximity of Chinese aircraft to the Senkaku Islands is of particular significance. According to Japan’s Ministry of Defense, China has increased the number of PLA air forces that fly south of 27 degrees north latitude, an unspoken demarcation line that Japan considers to be a defensive borderline.⁵⁴ JASDF tactical objectives are designed to keep Chinese planes from flying within a minimum protective air umbrella of approximately 60 nm from the Senkaku Islands.

Our combined failure to defend this line sends China the message that our resolve to defend the Senkakus themselves may be weak. The same can be said for our ability to defend the airspace around Taiwan and worse still in the South China Sea.

⁵¹ Kyodo, “Japan Doubles Fighter Jets Deployed for Scrambles Against China,” *Japan Times* (Tokyo), 26 February 2017, <https://www.japantimes.co.jp/news/2017/02/26/national/politics-diplomacy/japan-doubles-fighter-jets-deployed-scrambles-china/> - .WvVSuy-B0cg

⁵² “Chinese air force conducts high-sea training”, *China Daily*, 25 March 2018, <http://www.chinadaily.com.cn/a/201803/25/WS5ab780cba3105cdcf651418c.html>; “Chinese air force holds drills over South China Sea, Western Pacific in ‘preparation for war’”, *South China Morning Post*, 25 March 2018, <http://www.scmp.com/news/china/diplomacy-defence/article/2138792/chinese-air-force-jets-bombers-drill-over-south-china>.

⁵³ “China sends Su-35 fighter jets for island patrol”, *Xinhua*, 11 May 2018, http://www.xinhuanet.com/english/2018-05/11/c_137172784.htm.

⁵⁴ “Japan Doubles Fighter Jets Deployed for Scrambles Against China.”

China could easily begin a campaign to take Japanese islands, Taiwan, or the islands of the South China Sea by exploiting and surprising local air commanders. Specifically, the PLAAF could launch a large number of fighters and other aircraft toward Okinawa via the Miyako Strait and up through the Bashi Channel with the goal of diverting, diffusing, and degrading U.S. and allied defensive efforts to get established airspace control. On these islands, an assault by the main invasion force, either airborne from helicopters or seaborne, would be conducted concurrently. And this combined arms diversionary and main assault would all take place under the cover of one of the most sophisticated missile and rocket forces on the planet.

Finally, if there was any doubt about the PRC's intention to develop the capability for global power projection, specifically nuclear power, one need look no further than PLAAF Commander Ma Xiaotian's December 2016 assertion that "China is developing next-generation long-range bombers" expected to be designated the "H-20" bomber. This new bomber, according to Rear Admiral Yin Zhuo, director of the PLA Navy's Expert Consultation Committee, would be on a par with the USAF B-2 stealth bomber.⁵⁵ This was reinforced again in May 2018 when the Xi'an Aircraft Industrial Corporation revealed a mysterious new model jet, rumored as the PRC's new stealth bomber.⁵⁶

PLA Strategic Rocket Forces (SRF)

In terms of kinetic fires, and per the Chinese military doctrine of joint fire strike campaign, Beijing would likely use its extensive ballistic and cruise missile arsenal, from both the PLA SRF, PLAAF, PLANAF, and PLAN, to disrupt U.S. rear area operations in Japan and throughout the area of operations. Specifically, in a Senkakus or Taiwan attack scenario, Japan and the United States should expect attacks against military bases on the main island of Honshu, the Ryukyus, and

⁵⁵ Zhang Tao, "Rear Admiral: China's development of H-20 bomber just in time", *PLA Daily*, 7 December 2016, http://english.chinamil.com.cn/view/2016-12/07/content_7396601.htm.

⁵⁶ Deng Xiaoci, "China's homegrown transport plane Y-20 conducts 1st airdrop drills", *Global Times*, 8 May 2018, <http://www.globaltimes.cn/content/1101274.shtml>.

Guam, where the majority of Japanese and U.S. military strength resides. U.S. Navy Commander Thomas Shugart's article, "Has China Been Practicing Preemptive Missile Strikes against U.S. Bases?" convincingly argues that "the greatest military threat to U.S. vital interests in Asia may be one that has received somewhat less attention: the growing capability of China's missile forces to strike U.S. bases."⁵⁷

The purpose of these supporting fires, as articulated in joint fire strike campaign doctrine, would be to coordinate and synchronize anti-ship ballistic and cruise missiles, land-attack cruise missiles, air strikes with precision-guided munitions, and counter-C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) strikes with specialized weapons. These fires would facilitate the main objective of seizing Taiwan or the Senkaku Islands and isolating Japanese, Taiwan, and U.S. military forces arrayed across the region.

However, Beijing's strategic designs go well beyond the First Island Chain. For instance, in April 2018, the SRF announced the establishment and deployment of a new DF-26 brigade to an un-located site. The DF-26, with a range of nearly 2,200 nm, is the PRC's second "anti-carrier ballistic missile" (ACBM). The first, the DF-21D, with a range of nearly 1,000 nm, when deployed to Hainan Island, places the entirety of the South China Sea within weapons range. Ultimately, both of these "carrier killer" missiles demonstrate the PRC's commitment to power projection against the U.S. Navy. Interestingly, the SRF also noted "it has been sparing no effort to foster the capability to conduct nuclear retaliation and intermediate-and long-range precision strikes and has obtained a succession of breakthroughs in new weapons' research and development."⁵⁸

Given the recent deployment of the YJ-12B surface-to-surface and HQ-9 surface-to-air missiles to the PRC's "artificial" island bases in the Spratlys, it is entirely conceivable that the PRC's rocket forces could be used in a similar fashion. As such,

⁵⁷ Thomas Shugart, "Has China Been Practicing Preemptive Missiles Strikes against U.S. Bases?," *War On the Rocks*, 6 February 2017, <https://warontherocks.com/2017/02/has-china-been-practicing-preemptive-missile-strikes-against-u-s-bases/>.

⁵⁸ Zhao Lei, "PLA deploys latest ballistic missile to newest brigade", *China Daily*, 18 April 2018, <http://www.chinadaily.com.cn/a/201804/18/WS5ad67c0ca3105cdcf6518e29.html>.

one should expect the PRC to deploy ballistic missile systems to their emerging overseas military bases in Djibouti, Pakistan, and elsewhere along China's "Maritime Silk Road".⁵⁹

PLA Informatization Department and Strategic Support Forces

PLA strategy addresses informatization in both its offensive combat and counter-intervention operations. Informatization, "the ability to transmit, process, and receive information" is a vital enabler and is at the core of everything the PLA wants to accomplish. These missions include: blue water naval confrontations, amphibious assaults to take islands, high-tech missions in space and cyberspace, long-range precision kinetic and non-kinetic strike, and naval war-at-sea operations.⁶⁰

Reforms to the PLA Informatization Department began in 2015 and are expected to be complete by 2020, when lines of responsibility are further delineated with the Strategic Support Force (SSF). The SSF's mission is reportedly focused on "strategic-level information support" for "space, cyber, electronic, and psychological warfare."⁶¹ One of its main missions will be strategic denial of the electromagnetic spectrum.⁶²

The SSF is a critical enabler for joint operations through this mission of strategic-level information support. The SSF has also assumed responsibilities for strategic information warfare. China's cyberforces would play a critical role in any counter-intervention strategy against the United States, Taiwan, and Japan in any island-seizure conflict. These same cyberforces will support PLAN operations against U.S. forces and those of supporting friends and allies globally in other scenarios.

⁵⁹ Amanda Macias, "China quietly installed defensive missile systems on strategic Spratly Islands in hotly contested South China Sea", CNBC, 2 May 2018, <https://www.cnbc.com/2018/05/02/china-added-missile-systems-on-spratly-islands-in-south-china-sea.html>.

⁶⁰ Elsa Kania and John Costello, "China's Quest for Informatization Drives PLA Reforms," *Diplomat*, 4 March 2017, <https://thediplomat.com/2017/03/chinas-quest-for-informatization-drives-pla-reforms/>.

⁶¹ Ibid.

⁶² Ibid.

The two organizations responsible for this, the Third Department of the PLA General Staff Headquarters (3PLA) and the Fourth Department (4PLA), are both subordinated to the SSF.⁶³

China has invested heavily in counter-satellite electronic warfare capabilities to force a “no satellite, no fight” environment for the United States. The SSF has consolidated the management and control over space-based ISR (intelligence, surveillance, and reconnaissance) assets. As troubling, it may also have non-kinetic-anti-satellite capabilities, such as directed-energy weapons.

SSF and the Fight for Public Opinion

In any conflict within the Indo-Pacific Region or globally, the PRC’s fight for public opinion will be the PRC’s second battlefield, on which it will wage a wide range of Political Warfare (PW) operations. Accordingly, the overall PW effort, and the SSF’s support for it, requires special attention.

Guided by the doctrinal principle of “uniting with friends and disintegrating enemies,” the PRC continuously employs active PW measures to promote its rise and to combat perceived threats. Its PW operations employ strategic psychological operations to propagate the CCP’s narrative of events, actions, and policies to lead international discourse and influence policies of friends and foes alike. These PW operations may at first appear as benign “soft power” activities, but under scrutiny often include coercive persuasion campaigns intended to manipulate international perceptions.⁶⁴

Chinese strategic literature particularly emphasizes the role of psychological operations (psyops), legal warfare, and public opinion warfare to subdue an enemy ahead of conflict or ensure victory if conflict breaks out. Based on available literature and experience, it is certain that the PRC will engage in “hybrid warfare” similar to,

⁶³ Ibid.

⁶⁴ Mark Stokes and Russell Hsiao, “The People’s Liberation Army General Political Department: Political Warfare with Chinese Characteristics”, 14 October 2013, https://www.project2049.net/documents/PLA_General_Political_Department_Liaison_Stokes_Hsiao.pdf.

but likely more sophisticated than, that employed in Russia's 2014 seizure of Crimea. The PRC will augment conventional military operations with non-conventional operations, such as subversion, disinformation and misinformation (now commonly referred to as "fake news"), and cyberattacks.

The operationalization of psyops with cyber is key to this strategy.⁶⁵ China has fully empowered its psychological warfare forces, most notably the "three warfares" base (or 311 base) in Fuzhou. It was subordinated to the SSF, and is integrated with China's cyberforces.

While the CCP's effective use of PW operations goes back to the beginning of the Party, its operations, particularly its efforts to build what amounts to "5th Columns" overseas through the CCP's United Front Work Department, took on new impetus with Xi Jinping's ascension to the leadership of party and government in 2012 and 2013, respectively. "United Front" is the CCP organization that forges domestic and international political coalitions for Influence Operations worldwide. In Xi's view, the time had come for a strong and confident China to move beyond Deng Xiaoping's advice to hide its assets and bide its time. Delegates to the Party Central Committee's 18th National Congress were lectured on the importance of United Front work, and the bureaucracy hastened to comply.⁶⁶

Prior to initiating an offensive or other military confrontation, China will use worldwide psyops and public opinion warfare as part of a concerted political warfare campaign. It will employ Chinese United Front organizations and other sympathizers, along with both Chinese and other-nation mass information channels such as the internet, television, and radio.

⁶⁵ Kania and Costello, "China's Quest for Informatization Drives PLA Reforms."

⁶⁶ June Teufel Dreyer, "A Weapon Without War: China's United Front Strategy", *Foreign Policy Institute*, 6 February 2018, <http://www.fpri.org/publications/e-notes>; Marcel Angliviel de la Beaumelle, "The United Front Work Department: "Magic Weapon" at Home and Abroad, Publication: China Brief Volume: 17 Issue: 9", *The Jamestown Foundation*, 6 July 6, 2017, https://jamestown.org/program/united-front-work-department-magic-weapon-home-abroad/?mc_cid=b20e8aed04&mc_eid=f886eab5e0.

The focus of these influence operations will be to support China's position and demonize, confuse, and demoralize the United States and its supporting friends and allies. Internally, this campaign will be important in mobilizing mass support for the "righteous" action, while externally the campaign will attempt to gain support for China's position from those nations undecided about which side (if any) to support. In addition to standard propaganda, disinformation will be employed, such as false reports of surrender of national governments and/or forces, atrocities and other violations of international law, and other reports intended to demoralize or paralyze decision making by the U.S. and its friends and allies. Also, United Front organizations, working with or in parallel to the PAFMM, China's merchant marine, and its massive fishing fleets, may instigate incidents and other actions that disrupt U.S. Navy and friendly force operations.

This political warfare campaign will continue through the military confrontation and after—regardless of the success or failure of the operation.

SSF Impact

In a further move that leaves no doubt as to the role the CCP envisions for its United Front in the battle for public opinion, on February 17, Xi issued a directive to cultivate greater support amongst the estimated 60 million-strong Chinese diaspora worldwide. He called for "closely uniting" with overseas Chinese in support of the Chinese Dream, as part of the greater efforts and activities of the United Front. Xi stressed that "to realize the great rejuvenation of the Chinese nation, we must work together with our sons and daughters at home and abroad...It is an important task for the party and the state to unite the vast number of overseas Chinese and returned overseas Chinese and their families in the country and play their positive role in the great rejuvenation of the Chinese nation."

Xi and the CCP will exploit these overseas Chinese to undermine military and political adversaries worldwide, and to advance the CCP's political and military

objectives.⁶⁷ Prime among these will be lobbying for the establishment of more PRC military bases.

Ultimately the purpose of these SSF sub-organizations are to ensure the sanctity of national- and theater-level command and control as well as enhance the warfighting effectiveness of each of the individual services. Whether in a preferred “short, sharp” regional war to seize islands or another confrontation that may take place globally, these invisible forces will provide precise situational awareness, target identification of opposing forces, network defenses, and real-time command and control that will enable the PLA to take and hold military objectives. They will also work to subvert, demoralize, and confuse the national leadership and operational forces of the U.S. and our supporting friends and allies.

An example of these efforts was revealed in 2014, when the PLA established a permanent joint operations command (JOC) center responsible for integrating the operations of its army, navy, and air forces. It was the first time such a JOC had been established, and was seen as boosting “the unified operations of Chinese capabilities on land, sea, air and in dealing with strategic missile operations.”⁶⁸ When combined with President Xi’s other PLA reforms, it seems clear that China’s ability to command and control all of its forces and disrupt opposing forces in a military confrontation is well established and practiced.

The PRC's Global Strategy and Presence

China’s expanding naval force structure has allowed it to project power on an increasingly global scale. The PLAN’s path to global maritime hegemony began as a marginally capable coast-hugging, brown water force. After American forces

⁶⁷ Tuan N. Pham, “A Sign Of The Times: China’s Recent Actions And The Undermining Of Global Rules”, *Center for International Maritime Security (CIMSEC)*, 6 March 2018, <http://cimsec.org/a-sign-of-the-times-chinas-recent-actions-and-the-undermining-of-global-rules/35603>; and “A Sign Of The Times: China’s Recent Actions And The Undermining Of Global Rules, Pt. 2”, *CIMSEC*, 24 April 2018; <http://cimsec.org/sign-times-chinas-recent-actions-undermining-global-rules-pt-2/36168>.

⁶⁸ Kyodo, “Chinese Military Set Up Joint Operations Command Center: Sources,” *Japan Times* (Tokyo), 7 August 2014, <https://www.japantimes.co.jp/news/2014/08/07/asia-pacific/chinese-military-set-joint-operations-command-center-sources/> - .WvVVFS-B0cg

departed most of Southeast Asia in the 1970s, it tentatively pushed out into the blue waters of the South China Sea. By the 1980s, China's naval forces began conducting small scale, routine operations in both the South and East China Seas. This situation remained static, and mostly benign through the 1990s, but by 2000, the PRC's strategic goals began to become clear.

Now over the past decade, we have begun to see the PLAN routinely operate and deploy warships as far away as the Indian Ocean, Mediterranean, Baltic, and Arctic Seas. In fact, by 2015, China was making moves to acquire berthing in the Azores, about a third of the way to the U.S. East Coast from Portugal, as well as operating hydrographic research ships in the south Atlantic, a harbinger of future PLAN submarines operations in the north Atlantic.

In a reversal of old geopolitical truisms, China's trade is leading the flag, as well as vice versa. China has sealed long-term port deals that span the globe, including in Australia, Cambodia, Indonesia, Malaysia, Brunei, Myanmar, the Strait of Malacca, Myanmar, Bangladesh, Sri Lanka, Pakistan, and Djibouti, Tanzania, Mauritius, Namibia, and Greece.

In addition, China is currently negotiating port deals in the Maldives, Scandinavia, and Greenland. These ports have already started to provide critical berthing and logistics to China's merchant marine and the PLAN, including refueling, provisions, and maintenance. China's merchant marine ships, meanwhile, are not regular commercial transport ships. Since 2015, they were required by Chinese law to be built to military specifications. The year prior, China coordinated many of its merchant marine ships to forcibly push back against Vietnamese vessels protesting Chinese oil exploration in Vietnam's exclusive economic zone.⁶⁹

⁶⁹ Op. cit., Thorne and Spevack, 2017; David Tweed and Adrian Leung, "China Is Making a Bold Military Power Play", *Bloomberg News*, 6 March 2018, <https://www.bloomberg.com/graphics/2018-china-navy-bases/>; for a comprehensive review of China's investment in foreign ports Devin Thorne and Ben Spevack's "Harbored Ambitions: How China's Port Investments are Strategically Reshaping the Indo Pacific", *C4ADS*, 2017, <https://static1.squarespace.com/static/566ef8b4d8af107232d5358a/t/5ad5e20ef950b777a94b55c3/1523966489456/Harbored+Ambitions.pdf>.

Vital strategic arteries are a focus of PRC control and acquisition planning. Chinese business interests have heavy influence over the Panama Canal, as evidenced by a milestone treaty signed by Panama and China last year. The treaty, which comes into force today, is designed to promote maritime and port development by the PRC in Panama.⁷⁰ Further, the PLAN has berthing agreements in Malaysia near the Strait of Malacca, its military base in Djibouti is a choke-point for the Suez Canal and Red Sea, and the commander of the U.S. Southern Command recently testified before Congress that it is “worth paying attention to” the prospect of the PRC building a naval facility in the Western Hemisphere.⁷¹ At the current rate, this Western Hemisphere PRC naval facility is not a matter of if, but when.

Of equal concern, influential PRC and Thai political leaders are in advanced planning for a PRC-built canal across the Kra Isthmus of Thailand that would simultaneously diminish Singapore’s economic and political viability while cutting travel time by three days compared to the Malacca Strait. Since the Malacca Strait currently handles approximately 40% of global trade flows,⁷² this would vastly increase PRC commercial power. It would also fund, justify, and facilitate PLAN naval operations between the Indian Ocean and the Gulf of Siam. A similar canal was proposed for Nicaragua.⁷³

Since 2008, China has conducted non-stop anti-piracy operations in the Gulf of Aden. These operations have been a boon for the PLAN’s development as a blue water naval fighting force, but have also provided a portal for Chinese influence into the Middle East balance of power. For instance, since 2013 the PLAN has conducted regular deployments of nuclear submarines into the Indian Ocean, and

⁷⁰ Michelle Labrut, “Panama - China maritime treaty to enter into force”, *Seatrade Maritime News*, 7 May 2018, <http://www.seatrade-maritime.com/news/americas/panama-china-maritime-treaty-to-enter-into-force.html>.

⁷¹ Kurt Tidd, Admiral USN, “China Making Aggressive Investments in South, Central America”, 5 March 2018, <https://news.usni.org/2018/03/05/southcom-tidd-china-making-aggressive-investments-south-central-america>.

⁷² Adam Minter. “Malaysia Is Fed Up With Chinese Cash”, *Bloomberg*, 7 May 2018, <https://www.bloomberg.com/view/articles/2018-05-07/malaysia-is-fed-up-with-chinese-cash>.

⁷³ Benjamin Zawacki, America’s Biggest Southeast Asian Ally Is Drifting Toward China”, 29 September 2017, *Foreign Policy*, <http://foreignpolicy.com/2017/09/29/its-on-trump-to-stop-bangkoks-drift-to-beijing>; op. cit., Thorne and Spevack, 2017.

while submarines, especially nuclear powered types, are suboptimal against pirates, they are a highly useful threat against India. Threatening an emerging U.S. friend and Quad member, India, reveals the actual strategic purpose of China's submarine and naval operations in the Indian Ocean region. In August 2017, China deployed at least 14 naval ships in the Indian Ocean.⁷⁴

The PLAN has also conducted oceanographic research operations in the Indian Ocean, East and South China Seas, and Atlantic, as well as commercial oceanographic expeditions in the Marianas Trench (within Guam's EEZ), Micronesia and Benham Rise (within the Philippine EEZ), and in the Western Pacific. China's naval oceanography is often conducted in tandem with, or under the guise of, scientific or commercial oceanography, but its real intent is to gain important data about the undersea domain, principally of benefit to the PLAN elite submarines force.

In 2017, Chinese hydrographic survey vessels were caught mapping the ocean floor in the Philippines' territorial waters of the Luzon and Surigao straits, and in the Caroline Islands of Micronesia. This ocean floor mapping has the objective of assisting the PLAN subsurface fleet in breaking out of the first and second-island chains, and into the Western Pacific and Atlantic, leaving global shipping, the Continental U.S., and all other territories vulnerable to SLCM and SLBM attacks during wartime.⁷⁵

In furtherance of these goals, the PLAN has developed a network of sensors to include ships, submarines, buoys, satellites and unmanned underwater gliders. Their desire for this information knows no bounds as we demonstrated when a PLAN warship captured a U.S. underwater glider in 2016, in a brazenly open theft of U.S. military technology.⁷⁶ The PLAN's development of underwater listening arrays and

⁷⁴ "Odd that China has submarines in Indian Ocean for anti-piracy ops: Navy chief", *Hindustan Times*, 1 December 2017, <https://www.hindustantimes.com/india-news/odd-that-china-has-submarines-in-indian-ocean-for-anti-piracy-ops-navy-chief/story-eUwmKlcyYOWIGrZckvyoHJ.html>.

⁷⁵ Steven Stashwick, "New Chinese Ocean Network Collecting Data to Target. Submarines", *The Diplomat*, 2 January 2018, <https://thediplomat.com/2018/01/new-chinese-ocean-network-collecting-data-to-target-submarines/>.

⁷⁶ Missy Ryan and Dan Lamothe, "Pentagon: Chinese naval ship seized an unmanned U.S. underwater vehicle in South China Sea", *Washington Post*, 17 December 2016,

passive sonar will erode (if not outrun) the current U.S. advantage over the next 5-10 years if more U.S. funding is not made available in this priority strategic area of naval warfare.

Russia-PRC “Joint Sea” Exercises

The PLAN has also been conducting joint naval warfare exercises, named “Joint Sea” by the PRC, with the Russian Navy since 2012 when the first exercise occurred in the waters of the Yellow Sea. Since then the scope, scale, and complexity of this exercise series has expanded. Each year the PLAN has dispatched its warships to the Sea of Japan, the Mediterranean and Baltic Seas.

In the latest iteration, “Joint Sea 2017”, three Chinese and 10 Russian warships conducted naval warfare training for several weeks in the Baltic. This was the first time the PLAN had operated in the Baltic Sea, and by all accounts their performance in this joint operation was flawless. This sent a chilling “hard power” diplomatic message to Eastern Europe, as China never denounced Russia’s 2014 annexation of Crimea from Ukraine, and Estonia frequently complains of Russian naval and air forces operating in too-close proximity to its shores. However, in a disturbing turn of events, European capitals apparently accepted the Chinese naval presence as the price to be paid for benefitting from Beijing’s Belt and Road Initiative.⁷⁷

Tectonic Shifts in Southeast Asia

China’s naval advance in Southeast Asia has been swift in historical terms, but incremental when viewed from America’s blinkered four-year political cycle. It has unfortunately been met with almost no resistance, and most notably by a failure of U.S. resolve to recognize and confront the dangers while the U.S. Navy still had the preponderance of power. China’s increasingly well-publicized naval presence operations throughout Southeast Asia has contributed to the tectonic shift in this

<https://www.washingtonpost.com/news/checkpoint/wp/2016/12/16/defense-official-chinese-naval-ship-seized-an-unmanned-u-s-ocean-glider>.

⁷⁷ Andrew Higgins, “China and Russia Hold First Joint Naval Drill in the Baltic Sea”, *New York Times*, 25 July 2017, <https://www.nytimes.com/2017/07/25/world/europe/china-russia-baltic-navy-exercises.html>.

sensitive region, a shift towards Beijing and authoritarianism and away from the U.S. and our values of democracy and rule of law. Key milestones in the PRC's maritime and political expansion into SEA follow.

In 1974, the PLA attacked and subsequently killed 64 South Vietnamese soldiers to capture Duncan Island in the Paracels. The U.S. did nothing to assist its ally against China despite having a carrier nearby.⁷⁸ China subsequently occupied all of the Paracels, where it now has 20 naval outposts.⁷⁹

In 1988, China captured Johnson Reef in the Spratly Islands from lightly-armed Vietnamese troops standing knee-deep on the shoal. The PLAN murdered all 64 troops by opening fire from naval ships with large-caliber deck guns. The Philippines made a diplomatic protest of this occupation in its EEZ, but the U.S. took no military action, sending a message of U.S. ambiguity to China and our allies.⁸⁰

In 1995, China occupied Mischief Reef, an unoccupied low-tide elevation within the EEZ of the Philippines. Again, the U.S. did nothing and over the next few years, China occupied an additional six islands in the Spratlys. China has now dredged and added naval outposts to all of these seven islands in the Spratlys.⁸¹

In 2012, the presence of PRC commercial ships in Scarborough Shoal, within the Republic of Philippines Exclusive Economic (EEZ), instigated a standoff and ultimately intimidated the Philippine Coast Guard and fishermen away from their ancestral fishing grounds. The U.S. State Department arguably abetted the PRC's occupation as Kurt Campbell, the then Assistant Secretary of State for East Asia and Pacific Affairs, negotiated a mutual withdrawal of PLAN and Philippine Naval assets from Scarborough. The flawed plan was immediately reneged upon by the PRC as it

⁷⁸ "Vietnam protesters denounce China on anniversary of navy battle", *Reuters*, 14 March 2016, <https://www.reuters.com/article/us-southchinasea-vietnam/vietnam-protesters-denounce-china-on-anniversary-of-navy-battle-idUSKCN0WG0C9>.

⁷⁹ "China Island Tracker", *CSIS Asia Maritime Transparency Initiative*, <https://amti.csis.org/island-tracker/china/>.

⁸⁰ Youtube video of Chigua Reef Massacre 1988, <https://www.youtube.com/watch?v=ohn8Tqo-9MA&feature=youtu.be>.

⁸¹ "China Island Tracker", *CSIS Asia Maritime Transparency Initiative*.

refused to remove its vessels from the shoal, establishing the PRC as the sole naval power at the shoal. This single event has had the negative consequence of providing President Duterte a “justification” for siding with the PRC after he came to office. More importantly, this failure to support a treaty ally has severely damaged U.S. credibility not only with the Philippines, but across the entire Asia-Pacific region.

China’s claim of the so-called “9-dash line” as its sovereign boundary and its occupations of the Philippines’ EEZ where ruled illegal in 2016 by the Permanent Court of Arbitration (PCA) in the Hague.⁸² But the U.S. took no action to recover lost Philippine rights, and its ally the Philippines had already given up on U.S. protection.⁸³

The PCA ruling was too little too late. China has now announced plans to dredge Scarborough Shoal, just 120 nm from the U.S. Navy’s former deep-water base at Subic Bay. China’s YJ-12 and YJ-18 ASCMs both have an approximately 290 nm range, suggesting it would be foolhardy to conduct naval operations from Subic in the future without first establishing control of Scarborough.

Most significantly, China has now deployed YJ-12B ASCMs to Mischief, Subi, and Fiery Cross reefs, despite prior assurances that the PRC would not militarize these facilities. And to compound the situation, in a speech by President Duterte of the Philippines, he stated that he believed China meant the missiles were installed to protect rather than imperil the Philippines.⁸⁴

There is significant concern President Duterte’s pro-China policies could be used to turn Scarborough Shoal into another PRC air and naval base. Standing up to Beijing requires adept and forceful diplomacy within the Philippines, as well as the ability to

⁸² Permanent Court of Arbitration Case No 2013-19 in the matter of the South China Sea arbitration - before - an arbitral tribunal constituted under Annex VII to the 1982 United Nations Convention on the Law of the Sea - between - the Republic of the Philippines - and - the People’s Republic of China, 16 July 2016, <https://pca-cpa.org/wp-content/uploads/sites/175/2016/07/PH-CN-20160712-Award.pdf>.

⁸³ Ibid.

⁸⁴ Richard Javad Heydarian, “Short of war, China now controls South China Sea”, *Asia Times*, 8 May 2018, <http://www.atimes.com/article/short-of-war-china-now-controls-south-china-sea/>.

place U.S. Navy and Coast Guard assets in the shoal to counterbalance similar Chinese assets.

Further south, China's accelerated dredging and militarization of its artificial islands since 2013 violates its promises in the Declaration on the Conduct of Parties in the South China Sea (DoC), signed with ASEAN nations in 2002.⁸⁵ China's naval outposts in the South China Sea include berthing for aircraft carriers and submarines, runways sufficient for all its military planes, anti-aircraft guns, and starting in 2018, anti-ship cruise missiles.⁸⁶

The militarization of these islands, which President Xi promised President Obama that China would not do, is an increasingly powerful inhibitor to U.S. Navy operations in the South China Sea. Counter-intuitively, over time China's militarization of the South China Sea has increasingly had the impact of forcing U.S. military commanders to get higher and higher level approvals before being allowed to conduct routine operations in the South China Sea. This timidity escalated to the point that presidential approval was required for even simple Freedom of Navigation (FoN) transits, an approval authority protocol that had never been required since the inception of the program in 1979.

Also, in Southeast Asia, it's important understand the dramatic tilt the Kingdom of Thailand has taken towards the PRC. This tilt, particularly prominent since the May 22, 2014 coup, is reflected in unprecedented Sino-Thai military to military training and cooperation. The first Sino-Thai naval exercises were held in the Andaman Sea in 2004 and in the Gulf of Thailand in 2005. Exercise Strike 2007 was the first joint exercises with any nation involving China's special forces. Exercise Blue Strike maritime drills commenced in 2010, while the first Sino-Thai air force exercises, Falcon Strike, took place in 2015. Thailand has announced the PRC will build a

⁸⁵ "Declaration On The Conduct Of Parties In The South China Sea", *Association of Southeast Asia Nations (ASEAN)*, http://asean.org/?static_post=declaration-on-the-conduct-of-parties-in-the-south-china-sea-2.

⁸⁶ Alastair Jamieson, "U.S. warns China of 'consequences' over reported missiles in South China Sea", *NBC News*, 4 May 2018, <https://www.nbcnews.com/news/world/u-s-warns-china-consequences-over-reported-missiles-south-china-n871316>.

regional weapons and maintenance center in Thailand, and in 2017 Thailand purchased the first of three Chinese submarines.⁸⁷

The submarine sale has serious far-reaching implications, not the least which is the fact that the PLAN will likely control a submarine maintenance and training facility at Sattahip naval base, which could preclude U.S. Navy use of that important Southeast Asia naval facility.

Regarding China's role in Malaysia, former Prime Minister Razak Najib visited China in 2014, and the next year military personnel exchanges and joint exercises occurred between the Malaysian Armed Forces and the PLAN in the Straits of Malacca. In 2016, the two countries concluded a major military agreement, including Malaysia's purchase of four littoral mission ships (LMS) and a statement by the Prime Minister against the United States. The LMS purchase was Malaysia's first major defense deal with China, and may include a new Malaysian office of China Shipbuilding and Offshore International Co. Ltd (CSOC), the LMS maker.⁸⁸

Malaysia's defense minister spelled out goals of the two countries in 2017 as being an institutionalization of their "unique relationship" through a "high-level defense committee" on military cooperation, intelligence exchange, education, training, and strategic affairs. A "current issues" working group discussed the Malacca Straits, South China Sea, and terrorism. On his visit to Beijing that year, he oversaw an agreement between Malaysia's National Defense University (UPNM) and Peking University.⁸⁹

In 2017 a PLAN submarine docked in Malaysia's naval base of Kota Kinabalu; coincidentally this occurred simultaneously as a Russian submarine docked in the Philippines. Whether intentional or not, this sent a message about the strength of

⁸⁷ Benjamin Zawacki, "America's biggest Southeast Asian ally is drifting toward China", *Foreign Policy*, 29 September 2017, <http://foreignpolicy.com/2017/09/29/its-on-trump-to-stop-bangkoks-drift-to-beijing/>.

⁸⁸ Joshua Berlinger, "Malaysia reaches 'significant' defense deal with China, takes shot at West", *CNN*, <https://edition.cnn.com/2016/11/02/asia/malaysia-china-agreement/index.html>.

⁸⁹ Prashanth Parameswaran, "What's Behind The New China-Malaysia Defense Committee?", *Diplomat*, 25 April 2017, <https://thediplomat.com/2017/04/whats-behind-the-new-china-malaysia-defense-committee/>.

China and Russia's alliance, along with a lack of any significant resistance to their influence in the region.

After the Chinese and Russian visits in 2017, a Fellow at the Chinese Academy of Social Sciences opined, "It is normal for Russia to increase the presence of its force in Southeast Asia as this region cannot be dominated by the U.S.. Besides, Southeast Asia has seen a change in the balance of power. The influences of China and Russia in the region have heightened while the influence of the U.S. has declined. What's more, with the U.S. failing to meet the security demands of Southeast Asian countries, more countries in the region will turn to China and Russia for security."⁹⁰ Then in 2018, a PLAN Song-class submarine and a replenishment ship conducted a port call at Sabah after conducting counter-piracy operations in Somalia which again sent another signal of the shifting sands in the South China Sea.⁹¹

Ceding Oceania in "The Race for the Equator"

As we focus on the PRC's ability to break what we term the "First Island Chain", we must also be watching its inroads into the Second and Third Island Chains. Across the vast expanse of Oceania, China's deepening economic and political relationships have paved the way for port leases and maritime construction efforts that serve the PRC's global power projection vision and threaten U.S. security interests.

China is making a large play for this resource rich, strategically crucial region, from the continent of Australia to obscure island nations most Americans might not recognize on a map. These are islands and waters Americans defended, or liberated island by bloody island, from brutal oppression more than 70 years ago.

However, this time the outcome will not just be determined by U.S. naval and airpower, but by who wins over the hearts and minds of local island populations. The

⁹⁰ Xu Liping, "Submarine docking sign of China promoting peace and stability in Southeast Asia", *Global Times*, 11 January 2017, <http://www.globaltimes.cn/content/1028241.shtml>.

⁹¹ "Chinese sub docks at Malaysian port for second time this year", *Reuters*, 17 September 2017, <https://www.reuters.com/article/us-china-malaysia-southchinasea/chinese-sub-docks-at-malaysian-port-for-second-time-this-year-idUSKCN1BO17P>.

reality is, at this moment, massive Chinese investment to boost island economies is winning the hearts and minds of island leaders and well-off elites, if not necessarily the populace. Simultaneously, U.S. diplomatic and economic investment in islands is often invisible and sometimes even in retreat.

As a prime example, Australia, one of our closest allies, sold a 99-year lease of its strategic port in Darwin to a financially distressed Chinese company for \$506 million AUD in 2015. This sale occurred despite Darwin's long and continuing usage by Australian and U.S. military forces, creating an enhanced security threat for operations and unpredictability of access during crisis. China's Foreign Ministry spokesperson said at the time, "This investment by a Chinese enterprise is a normal business operation that complies with market principles, international rules and Australian laws."⁹² But the Chinese company, Landbridge Group, was financially distressed and seeking cheap loans from the Chinese government. To obtain those loans, the CEO described the port in terms consistent with China's state goals by saying the lease was part of China's state-coordinated Belt and Road Initiative. He also hired Australia's former trade commissioner as a consultant for \$73,000 AUD per month, raising questions of corruption among Australia's decision-makers on the deal.⁹³

China's port in Darwin, Australia is financially distressed. And, this is normal for China's ports abroad, which are highly unprofitable, unless viewed from the optic of China's national security. Out of 15 of China's global port projects sampled by Devin Thorne and Ben Spevack, the authors concluded "only six are arguably or potentially profitable."⁹⁴ Unsurprisingly, the authors included Darwin as one of these six ports as the port could only obtain subsidized funding from the Chinese government after being linked with the PRC's BRI. The BRI is unambiguously a project to promote

⁹² Alyssa Betts, "Darwin Port lease: Australia has 'nothing to fear' says Chinese Government", *ABC News*, 10 March, 2016, <http://www.abc.net.au/news/2016-03-10/australia-nothing-to-fear-from-darwin-port-lease-says-china/7237218>.

⁹³ Angus Grigg, "How Landbridge's purchase of the Darwin Port killed perceived wisdom on China", *Australian Financial Review*, 7 Jul 2017, <http://www.afr.com/news/world/asia/how-landbridges-purchase-of-the-darwin-port-killed-perceived-wisdom-on-china-20170706-gx66r8>.

⁹⁴ Op. cit., Thorne and Spevack, 2017.

Chinese global hegemony, both through political influence, and more concretely, through naval power projection.⁹⁵

Recent media reports suggest Australian defense officials are concerned that China aims to establish a permanent naval base on the Pacific island republic of Vanuatu, a country known for its robust independent foreign policy, being the first Pacific nation to join the Non-Aligned Movement in the 1980s, as well as, having a long commitment to de-colonization in places like East Timor, West Papua, New Caledonia and French Polynesia. Some see Vanuatu as the “political capital” of Melanesia since it hosts the secretariat for the Melanesian Spearhead Group (MSG) of nations. Vanuatu may be forging closer ties with China because it is being directly threatened by Indonesia due to Vanuatu's support for West Papuan independence and at the same time is in negotiations with France over the disputed territory of Matthew and Hunter islands. Although Australia is usually seen as the main regional security provider, Melanesian nations like Vanuatu increasingly see their security situation as being compromised when it comes to Canberra's policies on Indonesia and climate change.⁹⁶

While the Vanuatu government and the PRC currently deny that any such plans are afoot, the PRC initially also denied its plans for the base in Djibouti.⁹⁷ China has already built a new wharf on the Vanuatu island of Espiritu Santo, making it one of the largest ports in the South Pacific as well as building sports stadiums, convention centers, roads, airport upgrades and office buildings for Vanuatu's Foreign Affairs, and the Prime Minister's new office. Vanuatu would be a logical location for China to establish a new satellite-tracking station and ground support facility for its Yuan Wang space event support ships.⁹⁸ Chinese officials said they have more aid

⁹⁵ Ibid.

⁹⁶ Ben Bohane, “Ben Bohane: China? No, let's face the elephant in the Pacific room”, *Asia Pacific Report Pacific Media Center*, 23 April 2018, <https://asiapacificreport.nz/2018/04/23/ben-bohane-china-no-lets-face-the-elephant-in-the-pacific-room/>.

⁹⁷ “Vanuatu and China deny holding military base talks”, Reuters, 10 April 2018, <https://af.reuters.com/article/worldNews/idAFKBN1HH0MJ>.

⁹⁸ David Wroe, “The great wharf from China, raising eyebrows across the Pacific”, *Sydney Morning Herald*, 11 April 2018, <https://www.smh.com.au/politics/federal/the-great-wharf-from-china-raising-eyebrows-across-the-pacific-20180411-p4z8yu.html>.

projects in Vanuatu than any other Pacific country; in return, Vanuatu announced in late 2016 that it would be the first Pacific country to recognize China's claims in the South and East China Seas. Since then, other Pacific nations like Nauru and Papua New Guinea have followed.

At the same time Chinese investment and diplomacy is spiking in Vanuatu, so too is investment in New Caledonia, where some French are nervous about potential violence and the looming referendum on independence. Across Oceania, the PRC is also showing deep interest in the Federated States of Micronesia (FSM), Tonga, Samoa and French Polynesia. The interest in French Polynesia stems not just from these islands' utility for support and monitoring (the Yuan Wang have made several visits) but also as a refueling and transshipment point between China and the Americas. Additionally, China sees French Polynesia as a significant future stepping-stone to growing operations in Antarctica⁹⁹

A Chinese company has agreed to invest close to a third of a billion U.S. dollars to set up an aquaculture project in French Polynesia's large and remote Hao atoll. That amount is more than all foreign direct investment received by French Polynesia between 2013 and 2016 combined. The atoll used to have a French military support base for France's nuclear testing program. While the base has closed, much of its infrastructure is still intact. This includes the airport, which has a runway that is long enough to have been designated an emergency landing strip for the space shuttle.¹⁰⁰

Fiji and other politically complex countries diplomatically close to China might also be in Beijing's sights as possible sites for naval logistics.¹⁰¹

Chinese influence operations in Oceania are also reflected closer to U.S. territory in the Commonwealth of the Northern Mariana Islands (CNMI). In CNMI, just north of Guam, Chinese resort developers, serving PRC economic and political warfare interests, are stymying U.S. military efforts to further develop sorely needed training

⁹⁹ Interview with Ben Bohane, 11 May 2018; interview with Cleo Paskal, 12 May 2018.

¹⁰⁰ Interview with Cleo Paskal, 13 May 2018.

¹⁰¹ Bertil Linter, "China advances, West frets in South Pacific", *Asia Times*, 25 April 2018, <http://www.atimes.com/article/china-advances-west-frets-in-south-pacific>.

area for amphibious operations on Papan Island. This thus-far successful “blocking operation” is designed to degrade the readiness of “frontline” U.S. Navy and Marine Corps forces assigned or transiting there.

This now well established pattern to support Beijing's global PLAN ambitions deserves Washington's close attention. It starts with Chinese financial aid, political donations, and investment along with commercial inroads, then an increase in Chinese immigrants, all contributing to influence over local governments. Then, invariably, a PLAN-related military objective emerges. This angle can range from Chinese military access to ports and airfields, and to 'blocking efforts' as seen in CNMI and throughout Micronesia.¹⁰²

New Threats in South Asia and the Indian Ocean

In recent years, the PRC has massively increased its influence and presence in South Asia. Beijing is acquiring a naval facility near Gwadar, Pakistan, and a major maritime port facility in the same location on a 40-year lease. With its first container ship visit in March 2018, Gwadar was not exclusively built for profit, but was also envisioned to be China's territorial foothold in Pakistan, and to service naval power projection into the Arabian Sea.¹⁰³

In Sri Lanka, Chinese companies gradually built their influence with arms sales amid a civil war and allegations of corruption and bribery at the highest levels. Vanity projects and growing debt predictably followed. From 2005 to 2014, China provided almost \$7 billion in loans to Sri Lanka. By 2014, Sri Lanka was having difficulty paying them back, and in September not only opened four of seven berths at the unprofitable Hambantota port to a Chinese company in a 35-year lease, but hosted PLAN warship *Changxing Dao* and nuclear submarine *Changzheng-2*. After an additional insolvency crisis in 2016, Sri Lanka sold a 70% equity stake in Hambantota to Chinese companies in exchange for a fraction of its debt to China.

¹⁰² Grant Newsham, “Mariana Islands - U.S. Military Strategy ‘On Hold’”, *Asia Pacific Bulletin No. 415*, East West Center, <https://www.eastwestcenter.org/publications/mariana-islands-us-military-strategy-hold>.

¹⁰³ Op. cit., Thorne and Spevack, 2017.

Chinese companies took control of the port, with a 99-year lease, in January 2018. This port will likely see the routine use by PLAN combatants early in the next decade, providing another indicator of the PRC's success in achieving its global power projection capabilities in the Indian Ocean region.¹⁰⁴

The Maldives provides just as stark of an example. The country lurched towards Beijing (and away from India) with the election of a pro-PRC president last year. The fractious aftermath of the hotly contested election led China to deploy warships in parts of the Indian Ocean to preserve its growing interests.¹⁰⁵ Consequently, the PRC has been granted exclusive trade and other access which, in light of the Maldives' strategic location South of India, will likely lead to greatly enhanced PRC maritime surveillance and naval operational support.

The Maldives and Sri Lanka are two of the several small Indian Ocean islands where Beijing is obtaining footholds that could prove decisive in its future maritime strategy in the region. Mauritius, the Seychelles and Myanmar are also being lured into China's Maritime Silk Road. The PRC has a substantial stake in the deep water Kyaukpyu port in Myanmar, identified by Chinese officials as one of several port locations for military supply and industry. In 2015, China's state media described Kyaukpyu (Myanmar), Chittagong (Bangladesh), Colombo (Sri Lanka), Aden (Yemen) and ports in the Maldives as potential industrial hubs in support of PLA military operations.¹⁰⁶

While the facilities at Hambantota, Gwadar, and Kyaukpyu are not yet being used by the PLA, Beijing's militarization of its man-made South China Sea facilities, as well as the sudden prospect of a base in Vanuatu, demonstrate how quickly dual-use infrastructure could be turned to military logistical support. The vulnerability of countries like Sri Lanka, Myanmar, and Vanuatu to Chinese debt traps associated with these infrastructure projects was recently highlighted by International Monetary

¹⁰⁴ Op. cit., Thorne and Spevack, 2017.

¹⁰⁵ Vivek Mishra, "China Is Moving into the Indian Ocean", *National Interest*, 14 April, 2018, <http://nationalinterest.org/feature/china-moving-the-indian-ocean-25380>.

¹⁰⁶ Op. cite, Thorne and Spevack, 2017.

Fund Director, who suggested how easily Beijing might tighten the financial screws to obtain strategic access.¹⁰⁷

Of great concern, the Maldivian political crisis of 2018 exposed the PRC's willingness to deploy the PLAN to the Indian Ocean in support of China's interests. "Even as the crisis was unfolding, Chinese ships sailed to the East Indian Ocean comprising a fleet of destroyers and at least one frigate, a 30,000-ton amphibious transport dock and three support tankers. The Chinese ships later returned to the South China Sea on the back of heavy Indian naval scrambling. The incident, however, underscored the future importance of the Sunda Strait and the Lombok Strait, used for entry to and departure from the Indian Ocean, and for the Chinese Navy (PLAN) in the event of a future maritime crisis in the Indian Ocean."¹⁰⁸

Expanding Naval Interests in Africa

China has made naval and commercial shipping advances throughout Africa. Acceleration of these advances were preceded by Xi Jinping's high profile announcement, in 2015, of plans to invest \$60 billion in the continent. China has built or obtained leases for ports in the Horn of Africa (Djibouti), East Africa (Tanzania), and Southern Africa on the Atlantic Ocean (Namibia).

Most widely reported was China's July 2017 establishment of a military logistics base in Djibouti. As it relates to Djibouti, China started its compromise of U.S. national security by softening the government through a \$600 million port terminal for multipurpose use, a \$4 billion terminal for LNG exports, a \$600 million deal for two new airports, and a \$4 billion railroad. They claimed not to be planning a military base for Djibouti. But then in July 2017, China used the influence their commerce bought to open the "Djibouti Logistics Support Base of the People's Liberation Army"

¹⁰⁷ Michael Green, "Countering China's Militarization of the Indo-Pacific", *War on the Rocks*, April 2018, <https://warontherocks.com/2018/04/countering-chinas-militarization-of-the-indo-pacific/>.

¹⁰⁸ Vivek Mishra, "China Is Moving into the Indian Ocean", *National Interest*, 14 April 2018, <http://nationalinterest.org/feature/china-moving-the-indian-ocean-25380>.

near Doraleh, Djibouti. They then claimed that “the Djibouti base has nothing to do with an arms race or military expansion.”

But the same month they opened the base, they were conducting live-fire exercises utilizing armor, including wheeled tank destroyers and fighting vehicles, accompanied by infantry assault teams. These exercises had nothing to do with logistics, anti-piracy, or the United Nations. Rather, they established a land fighting force in the Horn of Africa. The day after the exercises, Premier Li Keqiang met the Djiboutian President “to foster economic cooperation and to build a regional hub of trade and logistics,” according to China’s state media.¹⁰⁹

Less than a year after the opening, by early May 2018, there had been several incidents involving high-power military laser attacks against USAF pilots, a violation of U.S. federal law under FAR 01.11. Two pilots suffered minor eye injuries that emanated from the Chinese base at Djibouti, or a Chinese naval vessel nearby. This is a tactic resurrected from the Cold War, when the Soviet Union conducted similar attacks against USAF pilots.¹¹⁰

In February, the government of Djibouti also alienated the U.S. and its allies by terminating the port leases of Dubai’s DP World for the Doraleh Container Terminal (DCT). Two of five terminals at Djibouti’s seaport are already controlled by China. The AFRICOM chief has since expressed concern that the terminal, which supplies U.S., Japanese, Saudi, and French troops in Djibouti, could be turned over to China, putting at risk naval supply chains for the U.S. and its allies in the region, and possibly threatening USN access and commercial FoN in the Red Sea and Suez Canal. Camp Lemonnier in Djibouti is the only USN base in Africa. Half of the world’s containerized cargo, and four million barrels of oil, pass Djibouti.¹¹¹

¹⁰⁹ Zhao Lei and Zhou Jin. “Live-fire exercises conducted by PLA base in Djibouti”, *China Daily*, 25 November 2017, http://www.chinadaily.com.cn/china/2017-11/25/content_34966883.htm.

¹¹⁰ Paul Sonne, “U.S. accuses China of directing blinding lasers at American military aircraft in Djibouti”, *Washington Post*, 4 May 2018, <https://www.washingtonpost.com/news/checkpoint/wp/2018/05/03/u-s-accuses-china-of-directing-blinding-lasers-at-american-military-aircraft-in-djibouti/>.

¹¹¹ “AFRICOM Chief Warns of Chinese Control at Port of Djibouti”, *Maritime Executive*, 15 March, 2018, <https://www.maritime-executive.com/article/u-s-concerned-by-chinese-presence-at-port-of->

The same year and in stark contrast to these lasing events, the PLAN's hospital ship, Peace Ark, made port calls throughout the entire rim of Africa, which provided important local contacts, logistical experience and public relations benefits to China. The PLAN mission lasted approximately 100 days, covered 13,000 nm, and made port stops in Djibouti, Sierra Leone, Gabon, the Republic of Congo, Angola, Mozambique, and Tanzania.¹¹²

China's naval presence is already progressing southward in East Africa. Tanzania is another illustration of China's incremental insertion of its navy abroad. In 2011, the PLAN and Tanzania showed an increasingly close relationship by conducting joint naval training.¹¹³ China used World Bank funding to deepen and strengthen the port of Dar es Salaam in June 2017, which was a double win for China as the PLAN's largest warships would then be able to berth there, and, a Chinese company won a \$154 million contract for the rebuild.¹¹⁴

A three-ship PLAN surface action group visited Tanzania in August 2017, including a destroyer, guided missile frigate, and supply ship.¹¹⁵ In November 2017, China used its growing influence in Tanzania to agree to a new \$10 billion Bagamoyo port contract for mega-ships (carrying 8,000 20-foot containers) about 75 miles from Dar es Salaam.¹¹⁶ The high cost of the port relative to Tanzania's small economy threatens to overwhelm its ability to repay debt to China incurred from port construction costs. The port alone could add approximately 20% to Tanzania's debt-

[djibouti](https://www.maritime-executive.com/article/china-expands-its-influence-at-djiboutis-ports); "China Expands its Influence at Djibouti's Ports", *Maritime Executive*, 16 November 2017, <https://www.maritime-executive.com/article/china-expands-its-influence-at-djiboutis-ports>.

¹¹² Li Shengjiang, "Spotlight: China's experience and Africa's revitalization", *Xinhua*, 25 December 2017, http://www.xinhuanet.com/english/2017-12/25/c_136851490.htm.

¹¹³ Wang Hanlu, "China, Tanzania conduct naval joint military training", *People's Daily*, March 2011, <http://en.people.cn/90001/90776/90883/7335561.html>.

¹¹⁴ Reuters Staff, "Tanzania signs \$154 million contract with Chinese firm to expand main port", 10 June 2017, <https://www.reuters.com/article/us-tanzania-ports/tanzania-signs-154-million-contract-with-chinese-firm-to-expand-main-port-idUSKBN1910RU>.

¹¹⁵ "Chinese naval fleet arrives in Tanzania for friendly visit", *China Daily*, 18 August 2017, http://www.chinadaily.com.cn/world/2017-08/18/content_30780566.htm.

¹¹⁶ Alex Malanga and Janeth Muhizi, "Bagamoyo port project now revived", *The Citizen*, 24 November 2017, <http://www.thecitizen.co.tz/News/Bagamoyo-port-project-now-revived/1840340-4200996-15sm1nu/index.html>.

to-GDP ratio, putting it at risk of debilitating concessions in an insolvency crisis as was experience by Sri Lanka.

In the 1960s, nationalist forces from Namibia visited Beijing for guns and money in their fight against apartheid. In 1990 when Namibia claimed independence, China was one of the first to recognize the country diplomatically. With that military, economic, and diplomatic investment flowed 100,000 Chinese immigrants by 2016, as well as corruption of politicians, and the potential for a PLAN base on the Atlantic Ocean.¹¹⁷

In 2014, China Harbor Engineering Company (CHEC) began developing a \$344 million shipping terminal in Walvis Bay, Namibia, on the south Atlantic Ocean. Slated for completion in mid-2019, the terminal will have an artificial peninsula the size of 40 baseball fields, and two 600-meter berths that each accommodate containerized cargo vessels of 8,000 TEUs, for a total of 750,000 twenty-foot equivalent units (TEUs) per year. The plan also includes a \$400 million fuel depot and rumors of a naval base. At a ceremony for delivery of four ship-to-shore cranes in February 2018, China's Ambassador to Namibia stated that with their delivery, "Namibia's port in the coastal town of Walvis Bay will become the "most brilliant pearl on the Atlantic Coast of southwest Africa." He added, "It can be said that this is the benchmark project for China-Namibia friendly and pragmatic cooperation, which symbolizes the great attention of our leaders to our relations and the brotherhood between our people."¹¹⁸

This port is part of a larger Chinese presence in Namibia. Just forty-three km north of Walvis Bay is Swakopmund, Namibia, which hosts a Chinese telemetry station for tracking satellites and space missions. Three hundred and twenty four km northeast of Walvis Bay, Chinese construction companies are building a new military academy.

¹¹⁷ Op. cit., Larmer, 2017.

¹¹⁸ Ibid.; Yurou, "China's cranes to promote Namibia's port construction", *Xinhua*, 10 February 2018, http://www.xinhuanet.com/english/2018-02/10/c_136964590.htm.

China supplies weapons and training to the Namibian military, including from Poly Technologies, which also supplies to Iran, Syria, and North Korea.¹¹⁹

About 100 km northeast of Walvis Bay, is the Husab Uranium Mine. It is the world's second largest. China General Nuclear (CGN) owns 90% of the mine, into which it has invested \$4.6 billion since construction started in 2013. The Namibian government owns only 10%. The mine and a processing plant produce U₃O₈, yellowcake for both nuclear energy and weapons manufacture. The mine alone is economically and therefore politically important to the country, as it will increase Namibia's GDP by 5% according to its own estimates. Almost all of Husab's yellowcake production is planned for export to China out of the Walvis Bay port. CGN also builds nuclear reactors in China and for export, and has proposed one for Namibia. It is trying to accelerate the manufacture and design of its nuclear reactor components, for which one of its American consultants was convicted in 2017 for conspiring to recruit U.S. nuclear engineers.¹²⁰

By all accounts the PRC has selected Namibia as a strategic location and as such U.S. national security policy makers should expect the PLAN to establish a naval base there in support of China's global aspirations in the south Atlantic. The next logical area for expansion after Africa and the south Atlantic is in Europe, and the north Atlantic.

In 2017, China and Mauritius announced "a new strategic partnership" that included port access and much more. Mauritius is a small island nation to the East of Madagascar in the Indian Ocean. Judging by its own description, the Mauritius' government offered itself as a virtual shell country to China. "Minister Lutchmeenaraidoo emphasized that Chinese companies will be able to use the free port facilities in Mauritius as a basis for adding value to their products and re-export them under favorable conditions to those countries and can rely on Mauritius' membership of organisations such as COMESA, SADC, IOC and possibly the Tripartite Trade Zone (COMESA, SADC, East African Community) to reach markets

¹¹⁹ Op. cit., Larmer, 2017.

¹²⁰ Op. cit., Larmer, 2017.

[in the] countries of Southern Africa and East Africa, a huge market of some 650 million consumers.” Mauritius is targeting countries such as Ghana, Senegal and Madagascar for special economic zones that Mauritius is offering as a sweetener to Chinese investors for government-to-government agreements “as a very attractive possibility to mobilise investments in these new economic poles.” In exchange, China apparently dangled the opportunity to use Mauritius as an all-Africa hub of investment and renminbi clearing.¹²¹ This dangling of “hub status” to countries throughout the world is a common tactic of China’s negotiators.

Beachhead in Europe: A Terminal Chokehold?

In 2011, while the PLAN was conducting anti-piracy operations in the Gulf of Aden, the Libya conflict flared and nationals from the U.S., Europe, Japan, and elsewhere were evacuated. China sent the Type 054A Jiangkai II-class guided missile frigate *Xuzhou* from Aden to the Mediterranean to provide security for the evacuation of 35,860 Chinese nationals, most by chartered transport. The frigate’s successful deployment to the Mediterranean was the first of its kind for the PRC, and strengthened the PLA’s resolve to produce and forward deploy more surface ships in the Mediterranean.¹²²

Two years later, the first PLAN deployment was followed by an international port purchase with major European implications. In 2013, Chinese companies purchased a near-controlling 49% stake in Terminal Link, an international holding company with global port assets. Obtaining agreement by just an additional 1% of shareholders is enough to execute agreements, and swaying 1% of shareholders is not difficult for a shareholder with 49% of the votes. The purchase had global implications, as Terminal Link owns 15 container terminals in 8 countries, including seven in Europe,

¹²¹ “Mauritius: China-Mauritius to Explore New Strategic Partnership”, *Mauritius Ministry of Foreign Affairs*, 23 April 2017, <http://www.focac.org/eng/zfgx/dfzc/t1460161.htm>.

¹²² Gabe Collins and Andrew S. Erickson, “Implications of China’s Military Evacuation of Citizens from Libya”, *China Brief*, vol. 11, issue 4, 11 March 2011, <https://jamestown.org/program/implications-of-chinas-military-evacuation-of-citizens-from-libya/>.

two in the U.S., and one in South Korea. A full list of the 2013 acquisitions resulting from the Terminal Link purchases are below:

Container Handling Zeebrugge (Belgium);
Antwerp Gateway (Belgium);
Terminal de France and Terminal Nord at Le Havre (France);
Terminal du Grand Ouest at Montoir (France);
Eurofos at Fos (France);
Somaport at Casablanca (Morocco);
Eurogate Tanger at Tangiers (Morocco);
Malta Freeport Terminal at Marsaxlokk (Malta);
Terra Abidjan at Abidjan (Ivory Coast);
Terminal des Flandres at Dunkirk (France);
Houston Terminal Link Texas (the United States);
South Florida Container Terminal at Miami (the United States);
Busan New Container Terminal (South Korea);
Haicang Xinhaida Container Terminal at Xiamen (the PRC).¹²³

Despite the magnitude of the port purchase, and the political influence and potential PLAN access that would follow, it was executed with very little public notice, discussion, or controversy.

The conflict in Libya revived in 2014, and again the PLAN facilitated an evacuation, in this case of 900 Chinese nationals. Eighty of these were taken to Greece, which has been increasingly friendly towards both Russia and China due to potential funding, and possible corruption, since the onset of its multiple insolvency crises. Greece received public thanks from China for the assistance.¹²⁴

¹²³ "CMHI and CMA CGM complete the Terminal Link Transaction", *CMA CGM Press Release*, 11 June 2013, <https://www.cma-cgm.com/news/8/cmhi-and-cma-cgm-complete-the-terminal-link-transaction>.

¹²⁴ "Hundreds of Chinese workers are evacuated from Libya", *BBC*, 7 August 2014, <http://www.bbc.co.uk/news/world-africa-28684555>.

Multiple successful PLAN operations in the Mediterranean, and port purchases, emboldened it to take the next step. In 2015, China and Russia held joint naval exercises, unconnected to any humanitarian mission, in the Mediterranean. Again in 2017, two PLAN flotillas cruised the Mediterranean Sea. One of the flotillas in 2017 conducted a live-fire drill, on its way to joint exercises with Russia in the Baltics. China's live-fire drill in the Mediterranean included the Type 054A Jiangkai II-class guided missile frigate *Yuncheng*, the Type 052D Luyang III-class guided-missile destroyer *Hefei*, and the Type 903A Quiandaohu-class replenishment ship *Luomahu*. Afterwards, they continued onto the Baltic Sea for additional live-fire drills with the Russian Navy. The other PLAN flotilla in the Mediterranean visited the Italian port of Civitavecchia in a "goodwill" tour, along with official visits to 19 other countries.¹²⁵

After the 2013 purchase of Terminal Link, Chinese companies conducted takeovers of terminals in Spain, Italy and Greece, utilizing subsidized loans from the Chinese government which were justified in terms of support for BRI. The lack of normal profitability of these deals is illustrated by China's COSCO, which in 2016 alone lost \$1.6 billion. But this is the cost of doing business when political influence and naval expansion are the priorities.¹²⁶

In January 2018, China's COSCO finalized its takeover of Zeebrugge, Belgium's second-largest port, and China's first beachhead in northwestern Europe. With that purchase, Chinese interests controlled approximately one-tenth of all European port capacity.

This ownership and control of Europe's ports translates into political influence, and PLAN access. The \$1 billion that COSCO spent on Greece's port of Piraeus, in which it now has a 67% stake, helped China obtain Greece's support at the European Union on issues like the South China Sea, human rights, and tougher screening of Chinese investments. In 2016, China's Ambassador to Greece went so

¹²⁵ Franz-Stefan Gady, "Chinese Navy Conducts Live-Fire Drill in Mediterranean Sea", *Diplomat*, 13 July 2013, <https://thediplomat.com/2017/07/chinese-navy-conducts-live-fire-drill-in-mediterranean-sea/>.

¹²⁶ Keith Johnson, "Why Is China Buying Up Europe's Ports?", *Foreign Policy*, 2 February 2018, <http://foreignpolicy.com/2018/02/02/why-is-china-buying-up-europes-ports/>.

far as to call Piraeus “a dragon head” of the Maritime Silk Road.¹²⁷ The influence of one country in the EU is particularly important as decisions are typically only taken through unanimous approval of all member states. If Greece is China’s dragon head at the EU, the influence will not favor ancient Greek ideals like democracy.¹²⁸

China Approaching American Coasts

In the discussion above, we have noted China’s naval and maritime expansion in both ports and military basing in the Horn of Africa, Indian Ocean, and Europe. We have seen how China’s ports are not really commercial ports as Americans understand the term because they are unprofitable: their real purpose is geopolitical and naval expansion.

Similarly, China’s merchant marine is not just a merchant marine, but is an arm of state power on the seas. We saw how China used its merchant marine in coordinated fashion to evacuate Chinese from Libya in 2011, and to threaten Vietnamese boats in its own EEZ in the 2014 CNOOC oil rig incident. This state coordination of commercial and military assets is a hallmark of China’s maritime silk road, one that is creeping ever closer to American shores.

As already noted, with the Terminal Link purchase of 2013, Chinese companies purchased 49% stakes in Houston Terminal Link, Texas, and South Florida Container Terminal in Miami, Florida. But China’s maritime tendrils are not limited to commercial ports.

China has already dispatched warships as far as Alaska. In 2015, the PLAN made its first trip there with five ships, apparently seeking to intimidate President Obama when he too made the first visit of a sitting President to arctic Alaska. The PLAN’s unexpected rendezvous with him should be seen as strategic messaging, as well as

¹²⁷ Zou Xiaoli. “Speech by Ambassador Zou Xiaoli at the Seminar ‘The New Silk Road of China: One Belt, One Road (OBOR) and Greece’, 30 March 2016, <http://gr.china-embassy.org/eng/zxqx/t1351970.htm>.

¹²⁸ Jason Horowitz and Liz Alderman, “Chastised by E.U., a Resentful Greece Embraces China’s Cash and Interests”, *New York Times*, 26 August 2017, <https://www.nytimes.com/2017/08/26/world/europe/greece-china-piraeus-alexis-tsipras.html>; *Op. cit.*, Johnson, 2018.

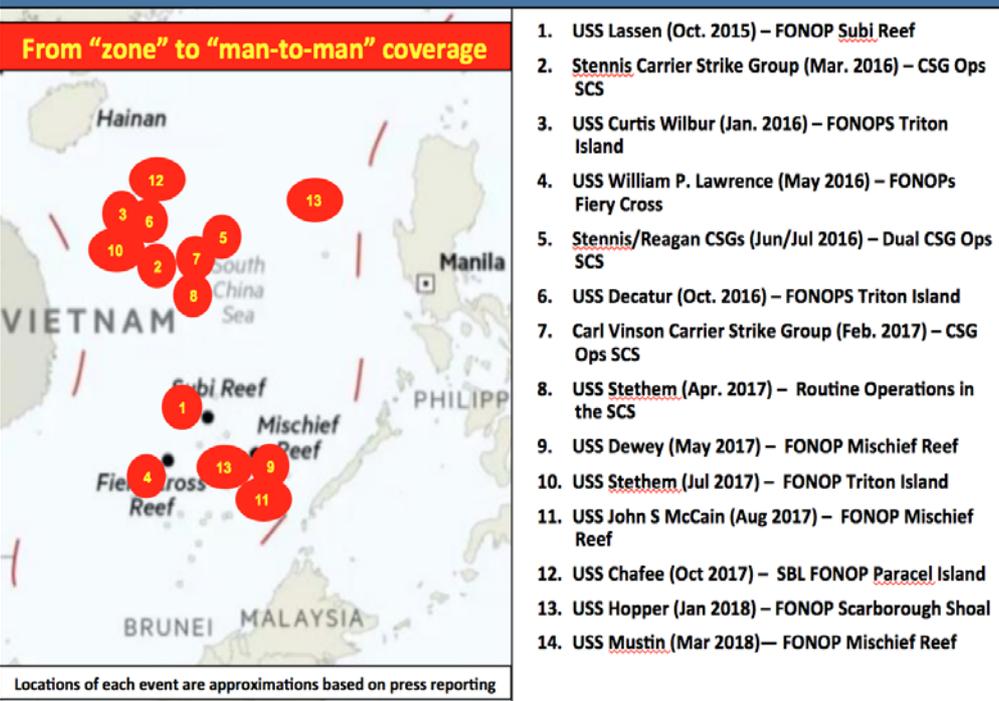
a probable (if spurious) basis for a potential claim on arctic resources in the future.¹²⁹ In 2017, the PLAN again sailed to Alaska, on an apparently uninvited intelligence-gathering mission to monitor U.S. testing of the Terminal High Altitude Area Defense (THAAD) missile defense system.

In both instances, PLAN warships operated well within the U.S. EEZ and reportedly near or within U.S. territorial waters. Ironically, as Chinese ships have begun to routinely operate inside the U.S. and other nation's EEZs, the PRC vociferously complains whenever U.S. military ships operate within the South China Sea. As outlined in figure 3, since October 2015, the PLAN has shadowed nearly every U.S. Navy warship that has entered and operated within the South China Sea, shifting from a "zone" coverage to a "man-to-man" strategy. This shift provides more empirical proof that the PRC's intent to use its military forces to achieve their strategic goals through bullying and intimidation, despite their assertions of a peaceful development.

Figure 3. PLAN Shift from "zone" to "man-to-man" coverage in South China Sea

¹²⁹ Helene Cooper, "In a First, Chinese Navy Sails Off Alaska", *New York Times*, 2 September 2015, <https://www.nytimes.com/2015/09/03/world/asia/in-a-first-chinese-navy-sails-off-alaska.html>.

Since October 2015, the PRC has shadowed nearly every U.S. Navy warship operating in the South China Sea



(Source: Independent research by author compiled from press reporting.)

Regarding the PRC's Arctic interests that portend to impact U.S. territory and interests in July 2017 the PRC and Russia agreed to "develop their cooperation on arctic shipping routes, jointly building a 'silk road on ice.'" And less than a year later, the PRC's China's State Council issued the country's first "Arctic White Paper" and continues to negotiate the outlines of potential cooperation and collaboration with Russia.¹³⁰

China is pushing its military well into the Pacific, including to Guam and Hawaii, and into the Atlantic islands of the Azores. Last year, the PLAN used intelligence-gathering ships to shadow joint U.S.-Australia naval exercises off Guam.¹³¹ China

¹³⁰ Matt Schrader, "Is China Changing the Game in Trans-Polar Shipping?", *Jamestown Foundation*, 24 April 2018, https://jamestown.org/program/is-china-changing-the-game-in-trans-polar-shipping/?mc_cid=d88f5b8b2d&mc_eid=f886eab5e0; see also "China's Arctic Policy" The State Council Information Office of the People's Republic of China, January 2018, First Edition 2018, http://english.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm.

¹³¹ Ryan Browne and Barbara Starr, "Chinese spy ship lurks off coast of Alaska during missile defense test", *CNN*, 14 July 2017, <https://edition.cnn.com/2017/07/13/politics/chinese-spy-ship-coast-alaska/index.html>.

has also utilized uninvited intelligence-gathering ships to spy on the U.S.-hosted Rim-of-the-Pacific (RIMPAC) exercises off Hawaii in 2012 and 2014.

In Brazil, China Merchant Port Holdings purchased a 90% stake in Brazil's most profitable port, TCP Participações SA, for \$924 million in 2017.¹³² In Brazil's state of Maranhá, Chinese companies laid foundation stones at the Port of Sao Luis in March 2018. A Chinese company holds a 51% stake in the \$244 million port. The port will handle 10 million tons of cargo, plus 1.8 million cubic meters of oil products. China's Ambassador to Brazil and the governor of the Brazilian state of Maranhá, where the port is located, attended the ceremony for the BRI project.¹³³

The PLAN is operating hydrographic research ships in the south Atlantic, a harbinger of future PLAN submarines operations in the north Atlantic, which I assess could begin by 2025. While the U.S. air base in the Azores was home to the USAF 65th Air Base Wing and had been critical to fighting World War II, the Cold War, and in Iraq, it has been reduced to only 200 U.S. personnel by 2015, causing a cash crunch for locals and providing a major strategic opportunity for China's military.¹³⁴ China made moves to scout berthing in the Azores that year. A Chinese naval and air base in the Azores would be a third of the way to the U.S. East Coast from Portugal, providing PLAN ships, submarines and PLAAF planes a strategic basing location to cover the east coast of the continental United States.

Future PRC Naval Force Estimate

What, then, does this vast PLAN maritime mission mean for Chinese naval construction over the next fifteen years? It means that in 12 years, the PLA Navy most likely will have twice as many warships and submarines as the U.S. Navy. It means the PRC will be able to successfully conduct naval missions on a scale only

¹³² Donny Kwok and Guillermo Parra-Bernal, "China Merchants buys control of Brazil's most profitable port", *Reuters*, 4 September 2017, <https://www.reuters.com/article/us-china-mer-port-tcp/china-merchants-buys-control-of-brazils-most-profitable-port-idUSKCN1BF03C>.

¹³³ "Construction of Chinese-led port kicks off, aims to boost logistics capacity in NE Brazil", *Xinhua*, 17 March 2018, <http://en.people.cn/n3/2018/0317/c90000-9438409.html>.

¹³⁴ Michael Rubin, "China may be trying to take over a critical US air base in the Atlantic", <http://www.businessinsider.com/china-may-be-trying-to-take-over-a-critical-us-air-base-in-the-atlantic-2015-11>.

recently deemed implausible by the most senior leaders of the intelligence community.

Bottom line: Beijing has demonstrated it has the shipbuilding capacity, capabilities, untapped productivity gains, and global requirements to sustain the transformational growth in Chinese naval construction and combat capability through 2030.

The ONI's most recent study (Exhibit 1) reports the PLAN consists of over 330 surface vessels and a total of 66 submarines.¹³⁵ Given the increasing PRC shipbuilding capacity and capabilities outlined above, it is likely that by 2030 the PLAN surface force could approach 450 hulls and over 99 total submarines (Exhibit 2), a growth rate of 30 percent and over 50 percent respectively, compared to approximately 15 percent for overall 2000-15 PLAN growth.¹³⁶ This expected force would satisfy the requirements for fleet expansion to meet Beijing's "goal of rejuvenation of the Chinese Nation."¹³⁷

In order to achieve the "China Dream," the PLAN of 2030 will not resemble the PLAN of 2015. Rather, it will enjoy a global presence characterized by multiple Strike Groups, a credible SLBM capability, and an ever-present network of ships at sea. Thanks to the strength of its naval shipbuilding capacity and its commitment to national rejuvenation, the PLAN will present an expansive and formidable challenge, one the U.S. can ill afford to underestimate or ignore.

Exhibit 1: PLAN 2015—Current Platform Inventory

<i>Platform</i>	<i>Inventory</i>
Destroyers	26 (21 modern)

¹³⁵ *The PLAN*, pp. 15, 19.

¹³⁶ Craig Murray, Andrew Berglund, and Kimberly Hsu, "China's Naval Modernization and Implications for the United States," U.S.-China Economic Security Review Commission Staff Research Backgrounder, 26 August 2013, p. 7., [https://www.uscc.gov/sites/default/files/Research/Backgrounder_China%27s Naval Modernization and Implications for the United States.pdf](https://www.uscc.gov/sites/default/files/Research/Backgrounder_China%27s%20Naval%20Modernization%20and%20Implications%20for%20the%20United%20States.pdf).

¹³⁷ Xi Jinping, "Achieving Rejuvenation is the Dream of Chinese People," *The Governance of China* (Beijing Foreign Languages Press: 2014): p. 38.

Frigates	52 (35 modern)
Corvettes	20 (all modern)
Missile Patrol Craft	85 (60 modern)
Amphibious Ships	56
Mine-warfare Ships	42 (30 modern)
Major Auxiliaries	50+
Total Surface Combatants	331+
SSN	5
SSBN	4
SS	57
Total Submarines	66

(Source: "The PLAN—New Capabilities and Missions for the 21st Century," ONI, 2015.)

Exhibit 2: PLAN 2030—Forecast Platform Inventory

<i>Platform</i>	<i>Inventory</i>
Destroyers	34
Frigates	68
Corvettes	26
Missile Patrol Craft	111
Amphibious Ships	73
Mine-warfare Ships	55
Major Auxiliaries	65+
Total Surface Combatants	432+
SSN	12
SSBN	12

SS	75
Total Submarines	99

(Source: Authors' calculations.)

The Coming Decade of Concern

In his March 2018 speech to the National People's Congress, President Xi Jinping stated, "since modern times began, to realize the Chinese Dream of national rejuvenation has become the greatest dream of the Chinese nation...with the spirit of fighting the enemy to the last minute, the resolve of recovering the lost (*sic*) on the basis of self-reliance...the Chinese people have made continuous efforts for more than 170 years to fulfill the great dreams. Today, we are closer, more confident, and more capable than ever before in making the goal of national rejuvenation a reality."¹³⁸

As it relates to the restoration of China's perceived territory President Xi made this statement:

It is the shared aspiration of all Chinese people and in the fundamental interests of the Chinese nation to safeguard China's sovereignty and territorial integrity and realize China's complete reunification. In front of the great national interests and the tide of history, any actions and tricks to split China are doomed to fail. They are certain to meet with the people's condemnation and the punishment by the history. The Chinese people have the resolve, the confidence, and the ability to defeat secessionist attempts in any form! The Chinese people and the Chinese nation share a common belief that it is never allowed and it is absolutely impossible to separate any inch of territory of our great country from China!¹³⁹

What is clear is that President Xi and the CCP firmly believe the PRC has not yet reached national rejuvenation and as such are on a timeline to achieve this goal.

Related to this point, President Xi stated, the CCP "has drawn up a splendid

¹³⁸ Xi Jinping, "Speech delivered by President Xi at the NPC Closing meeting" *China Daily*, 22 March 2018, http://www.chinadaily.com.cn/hkedition/2018-03/22/content_35894512.htm.

¹³⁹ *Ibid.*

blueprint” to realize “the great rejuvenation of the Chinese nation.”¹⁴⁰ And as with most blueprints, there is an element of time, which President Xi specifically references in the following statement, “although we have a long way to go, we are left with limited time and not allowed to be slack. We must not be satisfied with the status quo, indulge ourselves in ease and comfort, or let delight dispel worries.”¹⁴¹

The Tipping Point: How Long Do We Have?

Given Xi’s clearly articulated goal for the PRC’s “great rejuvenation”, which includes the restoration of its perceived territory, the obvious question is: How long will PRC wait? It is my assertion, based on all available evidence, that China desires to celebrate the complete restoration of the PRC by the 100th anniversary of its establishment in 2049.

If so, the next logical question is: What will happen if Beijing is unable to achieve complete restoration via nonviolent means? Or to put it another way, regarding such regional disputes as the Senkakus and the sovereignty of Taiwan, what if Japan or Taiwan resist? How long before the PRC rulers believe they will have to use military force to achieve their ultimate goal of national restoration?

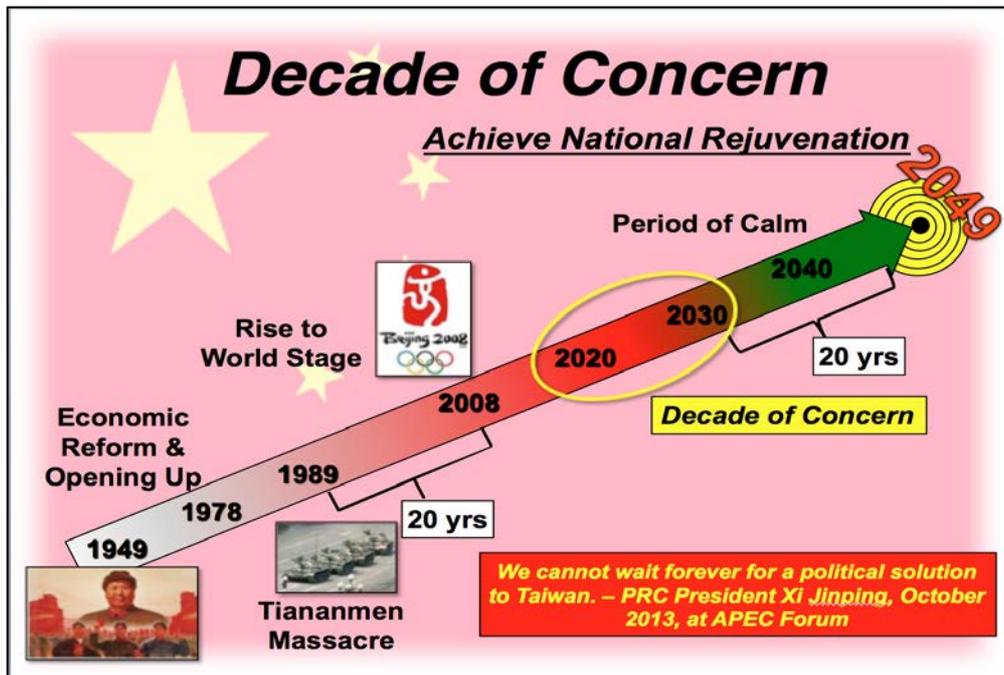
The answer to this question will also help drive the PRC’s timelines for establishing its global hegemony. The CCP will seek to ensure its uncontested ability to dominate political, diplomatic, and military discourse globally not just in support of its OBOR initiative, but also prior to using military force to settle the Senkakus and Taiwan issues on its terms.

In my estimation the answer is as early as 2020 but likely no later than 2030, a period of time that I have labeled “The Decade of Concern (figure 4).

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

Figure 4: The Decade of Concern, 2020-30



(Source: Captain. James E. Fanell, USN (Ret))

Why this decade? Because China has very likely calculated a timeline for when it could use military force at the latest possible moment and still be able to conduct a “grand ceremony” celebrating its national restoration in 2049. A likely template for calculating that date would be the time period from Tiananmen Square to the 2008 Olympics.

China’s leaders remember well that in 1989, the international community largely condemned Beijing’s brutal slaughtering of its own citizens at Tiananmen Square. Yet just 19 years later, the world’s leaders eagerly flocked to Beijing to attend the opening ceremony of the 2008 Olympic Games.

Let’s remember the scene on 8 August 2008 at the Beijing National Stadium (a.k.a. Bird’s Nest). There were tens of thousands of people in the seats watching one of the most impressively orchestrated Olympic opening ceremonies in history. There at the top of the stadium, in a cool, air-conditioned skybox, were the nine members of the Politburo Standing Committee, looking down over the masses of humanity. At the

center was President Hu Jintao, wearing a black suit reminiscent of Chairman Mao Tse-tung. President Hu was cool, calm, and collected. And what did he see down in those seats, in the 95-degree heat and 95-percent humidity? The President of the United States, with big sweat stains on his shirt. That president later went on to describe the event as being “spectacular and successful.”¹⁴²

What was the strategic message from this event? It reinforced a belief among China’s leadership that the U.S. has a short attention span regarding the use of force. In short, Beijing believes the West can be counted on to forget even the most barbarous actions after a roughly 20-year time span.

Given that logic, the latest Beijing could use military force to physically restore China’s perceived territory would be around 2030. This would then allow for 20 years of “peace” before Beijing would conduct a grand ceremony to memorialize the “second 100”—the 100th anniversary of the People’s Republic of China. This leads to the question: *When is the earliest China could use military power?*

Given the current environment and readiness of the PLA, it could start at any time. However, as referenced earlier, intelligence analysis strongly indicates the PLA has, during the past decade, been given the strategic task of being able to take Taiwan by force by 2020. If the PLA is able to take Taiwan by force in 2020, then it stands to reason that the lesser task of seizing the Senkaku Islands would also be achievable.

With the Decade of Concern beginning in 2020, it is my estimation that there will be mounting pressure within China to use military force to achieve the “China Dream” of national restoration by 2049. There will be a loud chorus for the use of force, which will grow each year and will crescendo in the late 2020s, ending in a violent clash to seize Taiwan, the Senkakus, and any other area Beijing deems to be a core interest.

In this decade of concern, an increasingly capable PLAN, as directed by a CCP very likely greatly emboldened by its power and the lack of resistance to its expansionist global aspirations, will engage in operations in all the oceans of the world. It is

¹⁴² “News Feature: Bush Blends Sports, Politics at Beijing Olympics,” *Xinhua* (Beijing), 11 August 2008.

entirely foreseeable that these PLAN operations will include activities designed to coerce, intimidate, and ultimately even to defeat the U.S., our allies, and our friends at sea.

Recommendations

First, and foremost, I believe there must be, as James Holmes recently wrote, a fundamental transformation in the “culture” of how we deal with China, that recognizes it as the main threat to U.S. national security, principally because of the strategic trend line whereby the PLAN will have the ability to control the oceans of the world.

This “cultural” change is a national issue and is thankfully being driven from the top down—from the President. It is very encouraging to see the new National Security and National Defense strategies calling out the PRC for being a “revisionist power”. Standing up to Beijing is not irresponsible or irrational, especially given that China’s actions are targeting the U.S. (and our Fleet) despite President Xi’s pledge the PRC is devoted to a “community with a shared future for mankind” and “mutual respect, fairness, justice, and win-win cooperation.”¹⁴³

Second, the administration should unambiguously declare U.S.-China relations have entered a new period of competition, as stated in the NSS, and then take the steps needed to actually compete. We must, of course, walk our talk. To this end, our Strategic Communications needs to be greatly strengthened and organizations need to be given specific authority and direction to fight and win on the Information Battlefield.

America must now deal with the PRC from a position of strength, one where we assert our core interests and principles just as firmly, if not more so, as the PRC asserts its core interests and principles.

This means no more acquiescing to PRC demands, no more being quiet when they ignore the rule of law like they have done with the 12 July 2016 Permanent Court of

¹⁴³ Xi Jinping, speech at 19th National Party Congress, November 2017.

Arbitration ruling, and it means not subverting U.S. national interests to worrying about whether or not we are “provoking” China.

Beijing is very effectively using incremental strategies and Political Warfare to gain maritime territory and destroy the trust of our allies in the process. The U.S. must be willing to confront Beijing’s bullying even at the risk of military conflict, especially since Beijing purposefully fosters fear among our China Watching community as a tool to manipulate us in our military, economic, and diplomatic strategies.

For instance, as part of our messaging, we should regularly conduct carrier operations anywhere within the 1st Island Chain, whenever we wish. In fact, we should increase our presence with the adoption of a permanent 2.0 presence in the Western Pacific.

Third, this new relationship also means recalibrating our “One China Policy”, and very publicly highlighting the U.S. interpretation of the term—*what it means* and *what it does not mean*.

To this end, we have to visibly and verbally refute the PRC’s constraints on our relationship with Taiwan. This means discarding years of self-imposed constraints by our own bureaucrats. For example, the notion that U.S. warships cannot make the occasional port call in Taiwan needs to be scrapped: nowhere is this self-defeating prohibition enshrined in any treaty, agreement, or law, so we should make a port call after discussion with our friends in Taiwan, and do it without fanfare or advance notification.

In order to disrupt Beijing’s strategic schedule, the U.S. must keep China on its back foot, and that requires strategic unpredictability on our part. The message to China is that freedom of navigation and free access to ports is a core interest of the United States of America and we are not going to be constrained by Beijing’s threats.

Also to this end, we must end the practice of “unconstrained engagement” by the Department of Defense. Specifically, China should not be invited to any more RIMPAC exercises until they alter its threatening behavior and rhetoric against our

friends and allies in the region, including Japan. China's bad behavior must no longer be rewarded with such privileges, to do otherwise simply makes a mockery of our foreign policy positions in Asia, if not around the globe.

Fourth, and closely aligned, the administration must proclaim its commitment to a forward-deployed presence, especially for our naval forces. Not only is this necessary for bolstering the flagging confidence of our allies, it also sends a clear and unambiguous statement to China. Options can range from home-porting a 2nd carrier in Guam, to home-porting ships in South Korea.

This visible commitment to forward presence also means halting any further reduction of U.S. Marine forces in Asia. Every time we vacillate in defense of our forward presence we succumb to the PRC's Political Warfare strategy. In essence we hand China a victory and perpetuate its myth that it is China that is in ascension and America that is in decline.

Fifth, the U.S. must commit to conduct more robust and more public Maritime Intelligence Operations. While much progress has been made in improving our Title 10 collection capabilities in the Indo-Asia Pacific region, as reflected by the introduction of the P-8 aircraft, we have concurrently displayed a lack of will to expose the PRC's aggressive actions in the maritime domain. This requires the U.S. to get serious about our Strategic Communications, in terms of mission, organization, policy, and doctrine.

Why, for instance, during the inaugural deployment of China's aircraft carrier *Liaoning*, did PACOM, which conducted intelligence reconnaissance flights, fail to provide unclassified pictures of China's inaugural carrier flight operations in the deep blue sea? This same reluctance characterized our approach to China's building of the seven new artificial islands. Why?

The sharing of facts about Chinese activities at sea is not just good for transparency in a democracy, it is also smart military strategy by imposing reputational costs on the PRC for its military adventurism. Moreover, making such information widely available would help counter spurious Chinese narratives of American actions as

being the root cause of instability in the Western Pacific. Both outcomes are in our national interest.

However, we have no unified national policy to develop and execute Strategic Communications in this era of competition, and there is no unity of effort. For example, the funding allotted to the State Department for counter-Political Warfare operations has been diverted almost exclusively to countering Russian propaganda, with the seemingly conscious exclusion of countering PRC influence operations. Further, as a rule, neither DoD and DoS Public Affairs practitioners study PRC Influence Operations and Political Warfare at the Defense Information School or the Foreign Service Institute as the leadership in those organizations does not seem to understand the urgency of including such training in the curriculum.

Sixth, we must return to naval nuclear deterrence operations. I am not sure how often this is talked about in D.C. these days, but the harsh reality is Beijing's boomers now can range all of the U.S, including right here in the Capitol Building.

So, given the presumption the PRC has already begun ballistic missile submarine patrols and to mitigate the risk of a sea-launched nuclear ballistic missile attack against the U.S., the U.S. Navy must be able to -"hold at risk" all adversary nation's patrolling SSBNs, at all times.

Hold at risk means that every time a PLAN SSBN departs on a strategic nuclear patrol, the USN must follow closely enough to be ready to sink them if they ever attempt to launch a nuclear tipped ICBM towards our shores. Chinese boomers are not so loud that when a crisis begins we will with high certainty be able to find these boomers.

Which leads me to the **Seventh** recommendation, which is the elephant in the room.

All of the above recommendations make it obvious that the U.S. Navy must increase in size. Roger Wicker and Jerry Hendrix's recent article entitled "How to Make the U.S. Navy Great Again", states:

“From a naval perspective, the Chinese People’s Liberation Army Navy (PLAN) is pursuing a mix of high-end and low-end ships and submarines. This strategy would allow the PLAN to spread out across the vast Pacific Ocean in sufficient numbers to locate and interdict U.S. ships. At the high end, China is investing in aircraft carriers, nuclear-powered fast-attack submarines and large surface combatants equipped with advanced radars, surface-to-air missiles (SAMs) and surface-to-surface missiles...Backed by a growing arsenal of longer-range and more sophisticated air and missile weapons, the Chinese navy will have a highly capable and numerically larger maritime force by the middle of the next decade. If this situation comes to fruition, it could make the projection of U.S. naval power cost prohibitive in the western Pacific, undermining the credibility of our alliance commitments.”¹⁴⁴

Given my estimate that the future size of the PLA Navy will be about 550 warships and submarines by 2030--twice the size of today’s U.S. Navy, it is clear the U.S. Navy is at great risk of not being adequately sized or outfitted to meet our national security commitments in the Indo-Pacific, let alone around the globe. Therefore, to accomplish all of the above missions, to provide a credible deterrent against PRC hegemony and to be able to fight and win wars at sea, the U.S. Navy must get bigger.

As I stated at the beginning of this paper, I am an intelligence officer, not a U.S. Navy force structure expert, but the evidence that a strategic gap between the U.S. Navy and PLA Navy is on the verge of exploding over the next decade and a half is overwhelming. As such, it seems clear to me that to keep even a modicum of parity with the Chinese, the U.S. Navy will require more than 355 ships.

Bottom line: America needs to get back to being a maritime power supported militarily by strong allies, something that has been sorely neglected since the fall of the USSR.

¹⁴⁴ Roger Wicker and Jerry Hendrix, “How to Make the U.S. Navy Great Again”, *National Interest*, 18 April 2018, <http://nationalinterest.org/feature/how-make-the-us-navy-great-again-25445?page=show>.

Without that, expect China to push us ever further from Asia. Expect to lose more allies and influence across the Indo-Pacific, and ultimately be seen as irrelevant globally, with all the negative consequences associated for our national security interests and the defense of our values.

We have already slipped. If we fall any further, we may not recover.