

February 27, 2014

**Testimony before the House Armed Services Subcommittee
on Seapower and Projection Forces**

Prepared Statement of Dr. Ely Ratner

*Senior Fellow and Deputy Director of the Asia-Pacific Security Program,
Center for a New American Security*

Chairman Forbes, Ranking Member McIntyre, and other distinguished members of the Committee, thank you for inviting me here today to discuss the U.S. rebalancing to the Asia-Pacific region. This is a critically important issue for America's economic and security future, and you and your committee should be applauded for taking a leadership role in helping to clarify and refine U.S. policy in the region.

Our topic today is "Capabilities to support the Asia Pacific Rebalance." The underlying question here is: How can the United States most effectively develop and leverage its military power to advance U.S. interests and maintain peace and stability in Asia? This is particularly important in the context of U.S. defense budget cuts and an evolving regional security environment.

The first order requirement, of course, is to ensure that the United States maintains a robust and geographically-distributed military presence in Asia while investing in the capabilities necessary to meet the challenges of the twenty-first century. The United States can also amplify its military capabilities by deepening its treaty alliances and other security partnerships.

Today, however, I want to address an additional means through which the United States can support its military and security interests in Asia: the construction of an open and inclusive regional security order undergirded by widely-accepted rules and institutions.

In my view, any strategy to enhance U.S. military capabilities in Asia must include efforts to shape a rules-based regional order that strengthens regional security cooperation while preventing and managing military competition and crises. Moreover, it is notable that such efforts often hinge on U.S. strategy and political will, not defense budgets and spending.

The construction of a rules-based regional order that comports with American values and interests is a central goal of U.S. Asia policy. It is also an aim that unites most of the region and elides the kinds of divisions and exclusions that sometimes frustrate U.S. efforts.

Before describing practical steps that I believe the United States should take to strengthen the rules-based security order in the region, I will begin by returning to the origin and purpose of the U.S. pivot to Asia. I will then briefly describe the noteworthy achievements in U.S. Asia policy over the last five years and conclude with recommendations for eight steps the United States should take to strengthen the regional security order.

The Origin and Purpose of the U.S. Rebalancing to Asia

The U.S. rebalancing or “pivot” to Asia was officially announced in November 2011 as President Barack Obama and Secretary of State Hillary Clinton traveled to the region to participate in multilateral forums and meet with U.S. allies and partners.¹ The roots of the policy, however, are better understood in the broader context of U.S. foreign policy and national security strategy. With protracted conflicts winding down in Iraq and Afghanistan, the United States had the opportunity in the late-2000s to reassess its priorities in the world and determine where and how to focus U.S. attention and resources in the years and decades ahead.

Without discrediting the importance of other regions of the world, there was clear recognition among American strategists that the principal focus on the Middle East and South Asia in the wake of the September 11th attacks had come at the expense of U.S. policy in Asia. This was evident in where the United States had spent its money, deployed its military and sent its top officials. The rebalancing to Asia, in its most basic form, is an effort to ensure that the elements of U.S. power and statecraft are aligned with U.S. national interests.

On that score, the imperative of the Asia-Pacific region for U.S. national interests is indisputable. Asia occupies over half of the Earth’s surface and is home to 50 percent of the world’s population. It contains the largest democracy in the world (India), two of the three largest economies (China and Japan), the most populous Muslim-majority nation (Indonesia) and seven of the 10 largest standing armies.

The United States has five defense treaty partners in the region (Australia, Japan, the Philippines, South Korea and Thailand); strategically important relationships with Brunei, India, Indonesia, Malaysia, New Zealand, Singapore and Taiwan; and evolving ties with Myanmar. By 2025, Asia is likely to account for almost half of the world’s economic output and include four of the world’s top 10 economies (China, India, Japan and Indonesia).

The region is also the leading destination for U.S. exports, outpacing Europe by more than 50 percent. Both U.S. investment in Asia and Asian investment in the United States have doubled in the past decade; China, India, Singapore and South Korea are four of the 10 fastest-growing sources of foreign direct investment in the United States.

Social and cultural ties between the United States and Asia are no less robust. There are more than two million people each of Chinese, Filipino, Indian, Vietnamese and Korean origin living in the United States. Asians also make up nearly half of the more than 800,000 international students studying in the United States.

The Asia Pacific will continue to play an increasingly vital role in global economic and political issues, which means that rebalancing to Asia is less a choice than a necessity. Continued and enhanced U.S. engagement with the region will therefore advance U.S. economic, diplomatic and security goals. The question before us in the years ahead is whether the United States can revise its

¹ Hillary Clinton, “America’s Pacific Century,” *Foreign Policy*, October 11, 2011, http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century.

approach to Asia with the necessary resolve, resources and wisdom required to advance the many U.S. national interests at stake.

Considerable Achievements to Date

The United States is in the early stages of reorienting its foreign policy to better account for the growing significance of the Asia-Pacific region. Impatient commentators should be reminded that this is a decades-long project that will span multiple presidential administrations. It is a policy process that will require constant attention and adjustment over time, not a neatly packaged strategy that will be fully implemented and completed at any particular moment.

That being said, even in the context of this long time horizon, the achievements to date over the last five years have been considerable. Despite inevitable missteps and setbacks, the United States has made tangible progress across every element of the rebalancing policy, of which there are six principal components.

First, the bedrock of U.S. policy in Asia is the maintenance and strengthening of U.S. treaty alliances with Australia, Japan, the Philippines, South Korea, and Thailand. In nearly every instance we are continuing to deepen our strategic dialogue with these allies, strengthen our collective capabilities and revise our military partnerships to meet the challenges of the twenty-first century.

At the same time, as a second element of the rebalancing policy, the Administration has strengthened Washington's institutional and political relationship with Beijing, including on security matters and with respect to military-to-military relations. The unprecedented tempo of bilateral interaction at all levels of government has resulted in what both sides describe as a maturing of the relationship. While this will not resolve real differences between the United States and China on a number of critical issues, it can help to manage areas of competition and open potential avenues for cooperation.

Third, the United States has unequivocally deepened its engagement with the region's institutions, including the Association for Southeast Asian Nations (ASEAN) and ASEAN-centered meetings. In recent years, the United States has joined the East Asia Summit, signed the Treaty of Amity and Cooperation in Southeast Asia, placed a permanent ambassador to ASEAN in Jakarta, and taken a leading role in the ASEAN Defense Ministers Meeting Plus (ADMM+) mechanism. While there continue to be debates about the relative efficacy of these institutions, ASEAN has been hosting increasingly substantive discussions and engaging in increasingly productive activities on issues of interest to the United States.

The maintenance of U.S. leadership and the development a liberal order in Asia require Washington to play a central role in the region's economic future. Enhanced U.S. engagement on trade and economics in Asia is the fourth component of the rebalancing strategy with the implementation of the U.S.-Korea Free Trade Agreement and the on-going Trans-Pacific Partnership (TPP) negotiations. U.S. officials have sought to employ more sophisticated tools of economic statecraft to advance U.S. financial, trade and development goals in Asia.

Fifth, the Administration has sought to rebalance U.S. policy within Asia by advancing partnerships in Southeast Asia to complement America's historical emphasis on Northeast Asia. The United

States is therefore engaging with a more diverse set of regional partners to include Indonesia, Malaysia, Myanmar, New Zealand, Singapore, and Vietnam. This effort to deepen ties across the entire region is based on the recognition that Southeast Asia not only sits at the fulcrum of 21st-century geopolitics, but is increasingly home to emerging economic and military powerhouses in their own right.

Finally, the sixth element of the policy has been an effort to make the U.S. forward-deployed military presence in Asia more geographically distributed, operationally resilient, and politically sustainable. This has included the rotational deployment of Marines to Darwin, Australia, the rotation of Littoral Combat Ships in Singapore and ongoing discussions with the Philippines about new access agreements. These efforts are making significant contributions to building partner capacity and strengthening shared knowledge and capability. Some critics have belittled these initiatives as miniscule in scale, but the numbers themselves say little about the amplifying effect that U.S. forward presence can have on partner militaries, as well as the potential for surging U.S. capacity if necessary.

As the United States advances these six lines of effort, a connective thread throughout U.S. engagements in Asia is steady support for universal values, including human rights and democracy.

8 Recommendations for Advancing a Rules-Based Security Order in Asia

Taken together, the innovation and evolution in U.S. policy toward Asia has been significant over the last five years across economic, diplomatic and military domains. Nevertheless, despite a number of noteworthy achievements, much remains to be done as the United States is entering a highly consequential period in its Asia policy that will require continued policy entrepreneurship, not simply the implementation of existing efforts.

Let me now turn to eight specific recommendations for how the United States can further develop a rules-based regional security order. Note that these items are meant to supplement the already existent components of the rebalancing policy, which include strengthening U.S. alliances and security partnerships, deepening engagement with China and diversifying U.S. force posture.

1. Reinstate Trade Promotion Authority (TPA) in support of the Trans-Pacific Partnership (TPP)

Although it may seem counterintuitive to begin a list of national security priorities with a multilateral trade deal, the successful completion of the Trans-Pacific Partnership (TPP) – both among the negotiators and on Capitol Hill – is the single most important policy issue currently on the table affecting U.S. power and leadership in Asia. Economics and security are inextricably linked in the region and the United States cannot cement a long-term role in Asia through military muscle alone. The region is looking to Washington to take leadership on economic issues as well, which will in turn open avenues for deeper political and security cooperation. TPP is a strategic-level issue and must be treated as such by the U.S. Congress.

Reinstating Trade Promotion Authority (TPA), which would increase the likelihood of eventual TPP approval on Capitol Hill, would offer a much-needed and immediate boost to the negotiations by giving leaders throughout the region confidence that it will be worthwhile to make the necessary political compromises to reach a deal. No other act by Congress in the coming months would

contribute more to U.S. foreign policy and national security interests in the region. President Obama will have to lead on this issue, but Congress has a vital role to play in setting the terms of the debate and ensuring that vital national interests are served.

2. Develop a strategy to deter Chinese revisionism in the East and South China Seas

Over the past several years, China has engaged in economic, diplomatic and military coercion to revise the administrative status quo in East Asia. This has primarily occurred below the military threshold with the effect of avoiding intervention by the United States military. The most egregious examples of this include China's illegal seizure and occupation of Scarborough Reef in the South China Sea and its ongoing efforts to undermine de facto Japanese administration of the Senkaku Islands.² These are deeply destabilizing actions that, if permitted to continue, will increase the likelihood of serious conflict down the road.

Given this pattern of behavior, the United States should develop an interagency strategy for deterring and responding to Chinese revisionism in the East and South China Seas.³ In the context of continued engagement with Beijing, this strategy should consider ways to impose costs on China for undertaking acts of assertiveness. The strategy must also take effect in the short term, rather than relying only on efforts like building partner capacity and strengthening regional institutions that are vitally important but will take years to bear fruit. It is also clear that private bilateral diplomacy with Beijing and public multilateral diplomacy have in and of themselves been insufficient to stem Chinese revisionism.

The United States is ultimately tasked with the dual charge of deterring Chinese coercion without escalating tensions, while simultaneously seeking a cooperative relationship with Beijing that avoids creating a permissive environment for Chinese assertiveness. Assistant Secretary of State Danny Russel's February 5, 2014 testimony before the House Committee on Foreign Affairs and Secretary Kerry's remarks during his recent trip to the region demonstrate that the Administration is aware of this challenge and working through potential responses.⁴

To reiterate, the goal here is not to contain China, but rather to ensure that political disputes are managed through peaceful diplomatic means rather than coercion and the use of force.

3. Reject China's illegal occupation of Scarborough Reef

Related to the discussion above, the United States should be unequivocal that it does not accept China's illegal seizure and continued occupation of Scarborough Reef. U.S. officials have said repeatedly that the United States has national interests in the maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce in the South China Sea. China's behavior at Scarborough Reef has violated all of these principles.

² See Ely Ratner, "Learning the Lessons of Scarborough Reef," *The National Interest*, November 21, 2013, <http://nationalinterest.org/print/commentary/learning-the-lessons-scarborough-reef-9442>.

³ See Elbridge Colby and Ely Ratner, "Roiling the Waters," *Foreign Policy*, January/February 2014, http://www.foreignpolicy.com/articles/2014/01/21/roiling_the_waters,

⁴ Daniel R. Russel, Assistant Secretary, Bureau of East Asian and Pacific Affairs, "Testimony Before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific," Washington, DC, February 5, 2014, <http://www.state.gov/p/eap/rls/rm/2014/02/221293.htm>.

Although the reef itself does not harbor specific economic or strategic significance, it is profoundly important that the United States, the region and the international community not accept the use of force and coercion as the arbiter of political disputes in Asia. In response, the United States should make clear in bilateral engagements with China and at multilateral meetings in the region that it expects China to withdraw from the disputed feature and return to the status quo that existed prior to China's 2012 act of revisionism. The United States military should also conduct freedom of navigation operations in areas surrounding the reef as demonstrations of its unwillingness to accept China's illegal occupation.

4. Build an international consensus on the legitimacy of international arbitration for maritime and sovereignty disputes

Consistent with U.S. policy, the United States should proactively support international law and arbitration on issues related to maritime and sovereignty disputes. As part of that, the United States should work to build an international consensus on the importance of the arbitration case that the Philippines has taken to the International Tribunal on the Law of the Sea. Without making judgments on the merits of the case itself, the United States can work with like-minded countries to build support for the process and highlight its significance as an unambiguous test of China's willingness to manage differences through peaceful means. This is a prime opportunity for leading European nations to make a key contribution to the maintenance of peace in the region in ways that comport with their comparative strengths in international law and regional institutions.

Should this opportunity to support regional order and institutions slip by without sufficient diplomatic and political attention, it will set a terrible precedent for future disputes and could close off a critical avenue for the peaceful management of competition in Asia.

5. Support the "early harvest" of agreed-upon elements in the Code of Conduct for the South China Sea

There is little optimism that sovereignty disputes in the South and East China Seas will be resolved any time soon. Nevertheless, there is a pressing need for preventing and managing crises as the waters and surrounding airspace become increasingly crowded with government and military vessels. The principal mechanism for advancing multilateral maritime security and safety mechanisms has been the Code of Conduct for the South China Sea being developed by members of ASEAN and China.

Although the United States should sustain its full support for this process, it is also the case that negotiations have dragged on for too long, with China sending mixed signals about its willingness to enter into serious negotiations toward a binding set of rules. In this context, the United States should supplement its policy toward the Code of Conduct by supporting the "early harvest" of agreed-upon initiatives that could be implemented in the short-term without agreement on the full Code of Conduct, which may never occur. The United States, in cooperation with allies and partners, can consider leveraging ASEAN and ASEAN-centered institutions to implement these initiatives. Some could also be agreed upon and implemented by a majority of countries if universal consensus cannot be reached.

6. Develop a “common operating picture” for the East and South China Seas

The United States has been working on a bilateral basis with a number of states in Asia to build partner capacity in the area of maritime domain awareness. This is critically important for helping regional states monitor their territorial waters and respond to potential incidents. In cooperation with allies and partners, the United States should explore broadening this effort to construct a common operating picture for the East and South China Seas that would permit a broad selection of countries in the region to be aware of potentially destabilizing maritime activity. This would have the additional effect of deterring adventurous behavior that would be visible to all.

7. Ensure that the U.S. military presence in Asia is politically sustainable in the region

Current U.S. policy is seeking a more geographically-distributed force posture in Asia in response to the evolving regional security environment. This goal of diversifying the U.S. military presence in the Asia Pacific has included efforts to develop new presence and access arrangements in Australia, Japan, the Philippines and Singapore, and new opportunities for training and access in Brunei, Indonesia, Malaysia, Thailand, Vietnam and elsewhere.

Although threat dynamics open doors for the United States to deepen security ties with allies and partners, the ability of the U.S. military to establish new arrangements, deepen them over time and sustain them in the long term will hinge on conducive political environments in partner countries. At this stage of developing a number of new arrangements in Asia, operational considerations cannot crowd out the fundamentally important task of ensuring political sustainability, without which U.S. force posture objectives in the region cannot be achieved.

The Center for a New American Security recently completed a yearlong study examining how the United States can most effectively achieve a politically sustainable military presence in Asia.⁵ It concluded that U.S. policy should integrate posture initiatives within three broader objectives in U.S. defense and national security strategy in Asia: strengthening U.S. bilateral military and defense partnerships; building comprehensive bilateral relationships, including diplomacy and economics; and advancing U.S. regional strategy and multilateral cooperation. This research produced the following key principles within these three broader goals.

Objective	Key principles
<i>Strengthening bilateral military and defense partnerships</i>	<ul style="list-style-type: none"> Require that new force posture initiatives directly support an explicit and shared vision for the future of the bilateral security relationship Ensure that new force posture initiatives address the interests of partner countries and contribute to official and public perceptions of a mutually-beneficial partnership Pursue an evolutionary approach that takes incremental steps, avoiding rapid and large-scale initiatives even if viable at particular moments in time
	<ul style="list-style-type: none"> Ensure that U.S. policymaking, negotiations and engagement on posture

⁵ Ely Ratner, “Resident Power: Building a Politically Sustainable U.S. Military Presence in Southeast Asia and Australia,” Center for a New American Security, October 2013, http://www.cnas.org/files/documents/publications/CNAS_ResidentPower_Ratner.pdf.

<p><i>Building comprehensive bilateral relationships, including diplomacy and economics</i></p>	<p>issues are done within the broader context of alliance management, active diplomacy and official White House guidance</p> <ul style="list-style-type: none"> • Take an inclusive and transparent approach to engaging partners on force posture issues across a broad spectrum of political actors, including lawmakers, opposition figures and local communities. • Maintain robust and reliable high-level U.S. engagement with regional states and institutions, and couple force posture announcements and activities with investment, trade and development initiatives
<p><i>Advancing U.S. regional strategy and multilateral cooperation</i></p>	<ul style="list-style-type: none"> • Ensure that force posture initiatives contribute directly to ASEAN-centered and other region-wide activities, using multilateral mechanisms to engage China and manage U.S.-China competition. • Take measures to reduce the likelihood that crises involving U.S. allies and partners occur because of accidents, incidents and miscalculation • Develop a coordinated communications strategy for audiences in partner countries and the region

8. Continue to underscore the U.S. commitment to Asia

Despite the official U.S. policy of rebalancing to Asia, there continue to be lingering doubts in the region about the long-term commitment of the United States. This stems from any number of sources including continued U.S. attention to the Middle East, concerns about the effects of sequestration on America’s military presence and power in Asia, grand strategic debates that question the utility of an internationalist U.S. foreign policy, the many effects of China’s rise and more general worries that the United States by choice, limited resources or dysfunction will be unable to sustain itself as a reliable ally, partner or active participant in the region’s economic and political affairs.

An intensification of these perceptions will undermine the development of a rules-based order by causing allies and partners to question the utility of working more closely with the United States, while also diminishing U.S. influence in regional institutions and potentially encouraging countries to engage in acts of aggression or provocation that they otherwise would not.

Some degree of doubt about the credibility of the U.S. commitment is inevitable, but the Administration should make a concerted effort to counter the misperception that the U.S. rebalancing to Asia is wavering or hollow. This can begin with statements by President Obama about the importance of the Asia-Pacific region and a clearer articulation from the Administration about the intent, achievements and future of the rebalancing strategy. The Administration can also more clearly articulate how defense cuts will and will not affect U.S. posture and presence in Asia, which will be particularly important in the wake of the release of the Quadrennial Defense Review.

Conclusion: Combining American Power with a Rules-Based Order

The U.S. approach to Asia in the years and decades ahead should largely mirror the principal components of U.S. foreign policy in the post-war period in which American power and leadership combined with multilateral rules and institutions to advance an open, peaceful and prosperous

international order. Neither of these elements is sufficient in and of itself to sustain and achieve U.S. interests in Asia in the long term. Instead, as the United States thinks about the capabilities it needs to maintain peace and security in Asia, it must prioritize not just boosting the warfighting capability of the United States, its allies and partners, but also building a stronger rules-based regional security order.



Biography

Dr. Ely Ratner
**Senior Fellow and Deputy Director of the Asia-Pacific
Security Program, Center for a New American Security**

Dr. Ratner is a Senior Fellow and Deputy Director of the Asia-Pacific Security Program at the Center for a New American Security (CNAS). His current research and writings focus on the U.S. rebalancing to Asia, the future of China's national security strategy, and maritime disputes in the Asia Pacific. Prior to joining CNAS, he served on the China Desk at the State Department as the lead political officer covering China's external relations in Asia. He has also worked as a Professional Staff Member on the U.S. Senate Foreign

Relations Committee and an Associate Political Scientist at the RAND Corporation, where he conducted research on Chinese foreign policy, the People's Liberation Army (PLA), and U.S. military alliances with Japan and South Korea.

Dr. Ratner's commentary and research have appeared in *Foreign Affairs*, *Foreign Policy*, *The Washington Post*, *The New York Times*, *The Wall Street Journal*, *The Washington Quarterly*, *The National Interest*, *Journal of Conflict Resolution*, *International Studies Quarterly* and *Chinese Journal of International Politics*, among others.

He received his Ph.D. in Political Science at the University of California, Berkeley and his B.A. from the Woodrow Wilson School of Public and International Affairs at Princeton University, where he graduated Magna Cum Laude and Phi Beta Kappa.