

**Testimony of
Abraham M. Denmark, Deputy Assistant Secretary of Defense for
East Asia
U.S. Department of Defense**

**House Committee on Armed Services
Subcommittee on Seapower and Projection Forces
and
House Committee on Foreign Affairs
Subcommittee on Asia and the Pacific
Hearing on “South China Sea Maritime Disputes”
July 7, 2016, 3:30 PM
2118 Rayburn House Office Building**

Chairman Forbes, Chairman Salmon, Ranking Members, and Distinguished Members of the Committees—thank you for inviting me and Deputy Assistant Secretary Willett here today to testify on this important issue. I would like thank both Committees for your leadership in supporting our nation’s robust engagement across the Asia-Pacific region in general, and the South China Sea in particular.

The South China Sea is an area of immense economic and strategic importance. For centuries, it has been a major crossroads of international trade and commerce that connected cultures and economies from East Africa and the Middle East, through South and Southeast Asia, to Japan and the Korean peninsula in Northeast Asia. For decades, it has been a critical operational area for the U.S. military and central to our strategy to strengthen a principled order that enables stability and prosperity across the region.

More recently, as several countries around the region have prospered and their militaries have grown larger and more capable, the South China Sea has become increasingly congested and contested. Conflicting maritime claims have exacerbated long-simmering territorial disputes and threaten to disrupt the remarkable stability and economic gains the region has enjoyed for decades.

REGIONAL DISPUTES AT A CROSSROADS

At the center of the South China Sea disputes are a series of competing claims among Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam. The United States takes no position on competing territorial sovereignty claims among the parties to naturally formed land features in the South China Sea. The United States does, however, take a strong position on protecting and upholding the rights, freedoms, and lawful uses of the sea and airspace guaranteed to all countries, and that all maritime claims must comply with international law as reflected in the Law of the Sea Convention.

The key issue here, however, is not the existence of such territorial disputes themselves; rather, it's how the countries involved choose to protect their interests, protect their claims, and ultimately resolve their disputes. The United States seeks to uphold key principles at the heart of the rules-based international order: upholding customary international law, unimpeded lawful commerce, freedom of navigation and overflight, and peaceful resolution of disputes. We see growing support for upholding these principles throughout the Asia-Pacific region.

We have concerns about actions by any claimant that have the effect of eroding these key principles. China, in particular, has undertaken a series of initiatives that set it apart from all other claimants. Examples of concerning Chinese behavior in the past few years include:

- Between December 2013 and October 2015, China reclaimed approximately 3,200 acres of land in the Spratly Islands in the South China Sea—a development we detailed in our *Annual Report to Congress on the Military and Security Developments Involving the People's Republic of China 2016*. For context, over the same time period, other claimants reclaimed approximately 50 acres.
- China has used low-intensity coercion to enhance its presence and control in disputed areas of the South China Sea. China continues to employ China Coast Guard and People's Liberation Army (PLA) Navy ships to implement its claims by maintaining a near-continuous presence in disputed areas in an attempt to demonstrate some form of continuous administration. These efforts have included issuing fishing regulations that

covered disputed areas, blocking access of non-Chinese registered fishing vessels to disputed areas, and issuing warnings to civilian and military aircraft to depart the area while they were operating in international airspace.

- China has continued to build harbors, communications and surveillance systems, logistical facilities, and three military-grade airfields on many of the features it occupies. In the past year, China also has deployed radar systems, anti-ship cruise missiles, surface-to-air missiles, and has rotated fighter jets through features it claims in the South China Sea. Furthermore, the construction of hangars, anti-aircraft guns, and fuel and water underground storage facilities would support extended deployments of multiple aircraft and ships. And finally, in April, China's most senior military officer led a delegation on a tour of China's occupied features in the Spratly Islands to inspect the construction and visit the soldiers stationed on each feature.

Although the United States has noted these developments and expressed our objections to China's unilateral changing of the strategic landscape of the South China Sea, our primary concern revolves around risk of unintended escalation or conflict among claimants. Once completed and outfitted, these facilities will greatly improve China's capabilities to enforce its maritime and territorial claims, and project power further from China's shores.

At the same time as China has been building outposts, another process also has been playing out. In just five days—on July 12—an international Arbitration Tribunal on the Law of the Sea will issue a ruling clarifying entitlements related to the disputed features in the South China Sea. Our longstanding ally, the Philippines, brought a case against what it claimed where China in the South China Sea in 2013. China has taken a position of non-acceptance and non-participation in the arbitration. The Arbitral Tribunal's upcoming ruling will present an opportunity for those in the region to determine whether the Asia-Pacific's future will be defined by adherence to international laws and norms that have helped keep the peace and enabled it to prosper, or whether the region's future will be determined by raw calculations of power.

China, in particular, will face an opportunity to stand within an open and principled regional architecture. The path of pursuing the peaceful resolution of disputes and the adherence to international law has been chosen in the past by those in China's position. For example, India—an increasingly important partner to the United States in Asia and globally—is an exemplar of how a proud and increasingly powerful country can handle such disputes with its neighbors in accordance with international law. In 2014, the Permanent Court of Arbitration—the same court that will issue a ruling on the South China Sea next week—ruled against India in favor of Bangladesh in a three-decade-old maritime dispute. To India's great credit, it accepted the decision and has abided by it, noting at the time that settlement of the issue would enhance mutual understanding and goodwill between the two countries. This is an example we would encourage China to follow.

With the South China Sea at a crossroads, there is a degree of uncertainty surrounding how some claimants will act in the coming months. However, I can assure this committee that the United States will play an active role in shaping the region's future.

THE U.S. ROLE

Since the end of World War II, the United States has worked with the international community to build and sustain a regional order based on key principles—such as freedom of navigation and overflight, the importance of international laws and norms, and the peaceful resolution of disputes—that have been the foundation for the remarkable stability and prosperity the Asia-Pacific region has enjoyed for decades. This approach has helped ensure that countries can make their own security and economic choices free from coercion and intimidation. And we've promoted free trade and the rule of law to support development and unprecedented growth. These efforts were informed by the histories of the 18th, 19th, and 20th centuries, where calculations of national power drove countries to challenge one another, with catastrophic consequences for humanity.

As a result of this system, the region has evolved in remarkable ways. And as it does, our approach must evolve as well. The region's economic realities are changing, as is the region's distribution of geopolitical and military power. Although the United States remains the dominant

power in the region by any measure, we do not seek to freeze the region's security architecture in place. To sustain the region's stability and prosperity, we are adjusting our approach in a way that supports our key principles and enables us to defend ourselves, our allies, and our interests. We seek to make the regional security architecture more open and inclusive, yet ensure that it remains founded upon the key principles that have been critical to the region's past success.

As the region continues to change, and becomes more interconnected politically and economically, the region's militaries are also coming together in new ways. They're building connections for a common purpose: upholding the security and stability critical to a principled and prosperous future. And these connections are now helping our countries plan together, exercise and train together, and operate together, more effectively and efficiently than ever before. As Secretary Carter discussed in Singapore, this growing Asia-Pacific security network includes but is more than some extension of existing alliances. It weaves everyone's relationships together—bilateral, trilateral, and multilateral—to help all of us do more, over greater distances, with greater economy of effort. It enables us to take coordinated action to respond to contingencies like humanitarian crises and disasters; to meet common challenges, such as terrorism; and to ensure the security of and equal access to the global and regional commons, including vital waterways.

Most importantly, this is a principled security network. It is inclusive, since any country gets a voice, no one is excluded, and hopefully, no one excludes themselves. And as this security network reflects the principles our countries have collectively promoted and upheld for decades, it will help us realize the principled future that many in the region have chosen, and are working together toward.

Our concern is that without this network, without these principles, and without a robust and credible U.S. presence, there is a real risk that this region—now the engine of the global economy—could devolve into rivalry, stagnation, tension, and instability. That would have profound implications for the global economy, and would prove destructive to our national interests as well as to the security of our allies and partners.

Again, we are not standing still in the face of a rapidly changing Asia-Pacific region. This is especially true in the South China Sea, where we have undertaken a whole-of-government approach, in which the Department of Defense has worked in lock step with the Department of States and our other Interagency colleagues to ensure that our diplomacy is supported by a robust military capability.

To this end, the Department of Defense is taking action. We remain committed to the defense of our interests, our allies, and our principles. We continue to see our longstanding alliances—and our deepening partnerships in the region—as the foundation on which to build the principled security network that will enable us to help build an open, dynamic, stable, and prosperous Asia-Pacific in the coming years. We aim to support the emergence of a regional architecture that gives all countries an equal opportunity to enjoy peace and prosperity.

Although I will leave it to my colleague, Deputy Assistant Secretary Willet, to describe our broader national strategy, I would like to describe the four areas in which the Department of Defense has contributed to the broader U.S. Government strategy toward the South China Sea:

- First, strengthening our own military capacity and presence in the region;
- Second, enhancing the tempo of military operations in the region;
- Third, enhancing our regional security network; and
- Fourth, leveraging military diplomacy to reduce risk with China.

One of the lessons of the post-war era has been that our sustained and enduring military presence in the region is the cornerstone of deterrence. The first line of our efforts in the South China Sea has therefore been to provide a credible capability in the South China Sea and the region more broadly in order to deter conflict and create space for diplomatic efforts to succeed. As a result of these efforts, our military presence in the region has increased significantly. In fact, the Department of Defense has operationalized the defense part of the President's strategy to rebalance to the Asia-Pacific region by sending our most advanced capabilities to the region, from F-22 stealth fighter jets and other advanced tactical strike aircraft, to P-8A Poseidon

maritime surveillance aircraft, to our newest surface warships including our cutting-edge stealth destroyers.

We have also undertaken several initiatives across the region to ensure that our presence in the region is geographically distributed, operationally resilient, and politically sustainable. These include new posture initiatives—in places like Guam, the Northern Marianas, the Philippines, Australia, and Singapore, as well as modernizing our existing footprint in Korea and Japan—and continuing to strengthen existing partnerships and develop new ones, from India to Vietnam.

For example, through the U.S.-Philippines Enhanced Defense Cooperation Agreement, or EDCA, the United States is supporting the modernization of the Philippine Armed Forces and strengthening our mutual defense, an arrangement that will allow U.S. forces, at the invitation of the Government of the Philippines, to conduct high-impact, high-value rotational training exercises and activities. The EDCA provides the opportunity for U.S. and Philippine military personnel to train, exercise, and operate together regularly, including through new joint maritime patrols.

Second and related to the expansion of our military capabilities and presence in the region is an enhanced tempo of military operations. From a multitude of exercises across the region, to freedom of navigation operations and presence operations, the Department of Defense continues to fly, sail, and operate wherever international law allows so that others can do the same. Examples of this enhanced tempo include a persistent and scalable Command and Control Detachment in the Philippines, dual carrier operations in the Philippine Sea, and a deployed rotational air component to the Philippines that recently included five EA-18G (Growlers). We've also completed a successful U.S.-Japan-India trilateral exercise MALABAR, and the Ronald Reagan Strike Group is conducting routine operations in the South China Sea this summer.

The third critical line of effort in the South China Sea entails enhancing our regional security network by building partner capacity, training, and exercises. A key facet of this has been our active engagement of the Association of Southeast Asian Nations (ASEAN), which shares our

commitment to shared principles. We believe ASEAN should be at the center of the regional security architecture, which is why we have invested in ASEAN, the East Asia Summit, and ASEAN Defense Ministers Meeting-Plus. And it's not only principles—it's action to back them up. We are deepening multilateral regional security architecture through the ADMM-Plus and its Experts Working Groups, through which we are pursuing practical initiatives and exercises to address challenges that affect us all more effectively.

Additionally, we are moving forward on the Maritime Security Initiative that the Secretary announced last year. This is a \$425 million, five-year U.S. commitment to multilateral security cooperation that will help build a maritime security network in Southeast Asia to uphold our shared principles. In the Initiative's first year, we're helping the Philippines enhance its National Coast Watch Center and improving reconnaissance and maritime sensors; helping Vietnam train to develop future unmanned maritime capabilities; providing Indonesia and Malaysia with communications equipment and training; and working with Thailand on processing information at fusion centers.

We also continue to conduct several bilateral and multilateral exercises, such as BALIKATAN with the Philippines, which advance our efforts to strengthen our network and continue to build interoperability. The Rim of the Pacific (RIMPAC) Exercise includes 27 nations focused on building maritime cooperation, security, and disaster response. PACIFIC PATHWAYS builds partner capability and interoperability with Thailand, South Korea, the Philippines, Indonesia, and Malaysia. The 22nd Cooperation Afloat Readiness and Training Exercise focused on maritime security and interoperability with nine partner nations, and the 11th PACIFIC PARTNERSHIP focused on humanitarian assistance and disaster response.

In addition to building capacity and exercising together, we are also seeing Asia-Pacific countries come together on their own to strengthen bilateral and trilateral ties. For example, Malaysia, the Philippines, and Indonesia are coming together to counter maritime threats in coastal waters. We have also recently decided to hold additional U.S.-Japan-Australia trilateral exercises. And Indonesia has proposed trilateral joint maritime patrols with Malaysia and the Philippines, including counter-piracy patrols in the Sulu Sea. The United States welcomes and

encourages these burgeoning partnerships among like-minded partners who share our vision of a principled regional order. By networking security together, we believe we strengthen the ability of all countries to enjoy stability and prosperity in a dynamic region.

This brings us to the final line of effort in the South China Sea I would like to highlight, which is to engage China directly in order to reduce risk. As Secretary of Defense Carter described in his speech in Singapore, China has an important role to play in the region, and we welcome a China that plays a responsible role in the region's principled security network. We know China's inclusion makes for a stronger network and a more stable, secure, and prosperous region. Therefore we consistently encourage China to take actions that uphold—and do not undercut—the shared principles that have served so many in the Asia-Pacific region so well. We seek to keep lines of communication with China open, to improve our cooperation in areas of mutual interest, and to speak candidly when we disagree.

Our military-to-military relationship with China is an important aspect of our broader bilateral relationship. Where our interests converge, we seek to cooperate responsibly and effectively. Where our interests diverge, we seek to reduce disagreements when possible and otherwise attempt to reduce the risk of misunderstanding or miscalculation.

This has been an important feature of our diplomacy in the South China Sea: through a series of robust diplomatic engagements with China this year, we have been able to manage the real and complex differences between us while broadening our cooperation. Although a great deal of attention has been placed on China's participation in RIMPAC, I would like to highlight briefly the confidence building measures (CBMs) that we have reached with China in recent years. Through these CBMs and the Military Maritime Consultative Agreement process we have set standards for encounters between ships and aircraft that are in accordance with international rules and norms, reduced the occurrence of unsafe and unprofessional encounters, and established mechanisms to manage situations where friction occurs.

LOOKING AHEAD

These lines of effort have set the stage for our engagements following the upcoming decision from the UN Arbitral Tribunal. Although I will not speculate on what decision the Tribunal will issue, I will reiterate our strong support for the rule of law, the binding nature of this decision on the parties, and the peaceful resolution of territorial and maritime disputes. We urge both parties to comply with the ruling and urge all claimants to avoid provocative actions or statements.

From the perspective of the Department of Defense, we will continue to do what we always do. We will provide critical support for diplomacy by providing a credible deterrent against the use of force, in order to support the emergence of favorable conditions for claimants to peacefully resolve their disputes. We will continue to defend ourselves, our allies, our interests, and our principles. More broadly, DoD will continue to work with our allies and partners to build a future where every country in the region is free to make its own choices free from coercion where disputes are resolved peacefully, and where freedoms of navigation and overflight are respected.

Mr. Chairmen, Ranking Members, Distinguished Members of the Committees, the upcoming UN Arbitral Tribunal ruling provides an opportunity for the region to stand firm in its enduring commitments to a principled order in the Asia-Pacific region and the rest of the world. And it is an opportunity for us to reconfirm our commitment to work with the region to ensure a principled future—one in which all people have the opportunity to live in peace and prosperity.

Thank you.