

**Hearing on "Strengthening U.S. Alliances in Northeast Asia"**

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Affairs

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Mr. Chairman, Ranking Member Rubio, Members of the Committee:

Thank you for the opportunity to come talk to you today about the status and trajectories of our alliances in Northeast Asia. This hearing is being held at a particularly important time, as the United States enters the final phase of winding down its combat role in Afghanistan and as the U.S. public begins looking forward to a future less focused on the Middle East. At the same time, several years of uncertainty regarding the U.S. defense budget are now being replaced by a better understanding of how our military will resize and reshape itself for the coming decade.

That said, the choices we are making as to our future foreign and security policies obviously do not take place in a vacuum. Other countries have their say as to how the world will look, and in part the future judgment on the wisdom of our likely course will be based on how other countries react to our policies. Nowhere is this more true than in Asia, where the world continues to watch, with equal parts envy and apprehension, the rise of China.

China continues to present a unique policy challenge to the United States. Our economic interdependence all but mandates close and smooth working relations at the public and private level; yet our political and security competition seems to grow without pause. This is the same dynamic faced by many of our allies and friends in Asia, to whom of course, the Janus-faced aspect of today's China is of enduring concern.

While the United States has broad-based economic, diplomatic, cultural, and social relationships with the nations of Asia, this hearing rightly seeks to understand the strengths and weaknesses of our alliance structure in Northeast Asia. Our alliances have been based for the past half-century on significant security commitments to a handful of key nations, Japan and South Korea preeminent among them. Because of this, China's activities in the region, as well as the on-going North Korean nuclear and missile challenge, are the major influences on our alliance relations with Tokyo and Seoul.

Before discussing these two separately, it is important to note that our allies and partners in Asia are well aware of, and concerned about, projected drawdowns in the U.S. military. They are keenly attuned to how far the continental United States is from the flashpoints of Asia, such as the Korean Peninsula or the South China Sea. They read the headlines about our Navy shrinking to its smallest size since World War I and that the Air Force will shed hundreds of planes over the coming years. They find it hard to square such hard numbers with the constant statements of the Obama Administration that it is rebalancing to the Asia-Pacific region. They worry that assurances by the United States Government that budget cuts at home will not affect the U.S. presence in Asia are mere rhetoric.

Indeed, both governments and publics in Asia are aware that U.S. military activity throughout the region is declining. Last year, Admiral Samuel Locklear,

Commander of U.S. Pacific Command, testified before Congress that his travel budget had been cut by half. Similarly, the Pentagon has been forced to reduce military-to-military exchanges, such as postponing the Pacific Air Chiefs Symposium or canceling exercises run by Pacific Air Forces. General Hawk Carlisle, Commander of Pacific Air Forces, has been just one of the senior military leaders publicly to state his concern that resources have not followed the commitment to rebalance.

By raising expectations throughout the region that the United States would be more involved in Asian issues, we have created a dangerous gap with our inaction. While Secretary of State Kerry focused on climate change during his visit to China, South Korea, and Indonesia just two weeks ago, many of the nations of the region are far more concerned about the growing risk of conflict and what must be considered coercive behavior by China. Just last week, our ally the Philippines protested the Chinese use of water cannons by patrol boats on Philippine fishermen around the disputed Scarborough Shoal in the South China Sea. Asia's civilian airliners, except for Japan, are all complying with Beijing's intrusive demands for identification of peaceful flights over the East China Sea through China's new and unprecedented air defense identification zone (ADIZ). Japan continues to respond to regular incursions by Chinese vessels into the waters around the Senkaku Islands.

The nations of Asia watch very carefully Washington's hesitation and desire to avoid confronting China. They get clear messages from our actions that they must expect to deal with China on their own. They already perceive a shift in the balance of power, and we must recognize that at some point we will be seen as a paper tiger, whose commitments are not backed up by commensurate national will. Meanwhile, the trend line in Asia is worsening, not improving, making our lack of response all the more noticeable.

That said, our country retains a significant amount of influence in the Asia-Pacific region. This is due in no small part to the 325,000 men and women of U.S. Pacific Command, many of whom are forward deployed or on regular visits throughout the region. Our half-century old alliance structure also provides us with unique working relationships and the opportunity to remain involved with a core group of countries which themselves play diverse roles in Asia. As this Committee understand, strengthening these alliances is one of the surest ways to help maintain stability in the Asia-Pacific region, preserve U.S. influence, and help promote a future of greater freedom and prosperity for half our world.

### Current Status of Bilateral Alliances and Progress in Recent Years

Today, our bilateral alliances reflect the changes rippling through Asia as well as constraints here in the United States. To begin with Japan, I would argue that we are witnessing a divergence between the "politics" and the "policy" of the U.S.-Japan alliance. We are still in a delicate period that began in 2009, when the then-ruling Democratic Party of Japan (DPJ) upended the relationship by reopening the question of realigning U.S. forces in Japan. The core of the 2006 agreement that the DPJ decided to re-litigate, so to speak, was the proposal to move Marine Corps Air Station Futenma out of its crowded urban location and relocate it to the less-populated northern part of Okinawa.

Fast-forward five years later and current Prime Minister Shinzo Abe, who resigned his position back in 2007, has moved to push the original agreement ahead and complete the Futenma Relocation Facility in Nago City. In addition, Mr. Abe has signaled his intention to reinterpret Japan's ban on exercising collective self-defense, which is something the United States has long wanted. He has confirmed his predecessor's decision to buy the F-35 Joint Strike Fighter and to loosen Japan's restrictions on arms exports. Much of this is codified in Tokyo's first-ever national security strategy. Just as significantly, Washington and Tokyo have agreed to revise the 1997 Mutual Defense Guidelines by the end of 2014 to update the alliance for the 21<sup>st</sup> century, including such new areas as the military use of space and cyberspace. From this perspective, the policy of the U.S.-Japan alliance is moving in the right direction to respond to the new challenges it faces.

Yet, if the bilateral relationship is looked at from a "politics" perspective, Tokyo and Washington have moved from disagreement over policy to political tensions over perceptions of Prime Minister Abe's approach to historical issues. His December visit to the controversial Yasukuni Shrine resulted in a rare public reproach from the U.S. Embassy in Tokyo and strong condemnations by Beijing and Seoul. Statements by his appointees to Japan's public broadcaster have been criticized for their attempts to reinterpret Japan's wartime past. Fears that Prime Minister Abe is thinking of backing away from previous governments' statements on war-era comfort women have raised the ire of groups both in Asia and abroad. While I would argue that the fears of Mr. Abe's nationalism are overblown, we should be worried about the potential political divergence between Washington and Tokyo over the coming year.

However, whereas Japan and the United States continue to have difficulties in their relationship, the ties between Washington and Seoul remain extremely close. President Obama crafted an unusually tight relationship with former South Korean President Lee Myung-bak, and has continued the trend with current President Park Guen-hye. Uncomfortably for Tokyo, Presidents Obama and Park share similar sentiments regarding Prime Minister Abe's perceived historical revisionism. In terms of the U.S.-ROK working relationship, in January 2014, the United States and South Korea came to a new five-year Special Measures Agreement (SMA), under which Seoul will raise its host nation support payments for U.S. forces in Korea by nearly 6 percent, increasing spending to around \$870 million per year.

One continuing source of uncertainty in the alliance is the so-called "operational control" (OPCON) transfer of wartime command of U.S. and South Korean forces. Originally scheduled for 2007, it has been delayed twice at the request of the South Koreans, and is now planned for 2015, though that date, too, is likely to be pushed back. While our combined command structure in South Korea has resulted in an extraordinarily close training and working relationship between the two militaries, Seoul's inability to successfully develop the capabilities needed to lead military operations in wartime is a source of concern.

With both Seoul and Tokyo modernizing their militaries, Washington can look forward to a future with ever more capable allies. Both countries are likely to purchase the F-35 fighter and each has ballistic missile defense capabilities, such as modern Aegis-

equipped guided missile cruisers. Each also has been the target of cyberattacks, and both are thus focused on increasing their cyber defense capabilities.

One major difficulty for the United States in Asia is the poor state of bilateral relations between Japan and South Korea. America's two closest allies barely speak to each other, and tensions are at their highest in decades. Part of this is due to the historical issue I noted above, but it also derives from the continuing dispute over the Takeshima/Dokdo islands in the Sea of Japan (terminology over this body of water was settled by the State Department in 2012). The lack of trust and bitter feelings between the two countries makes it difficult to optimize the U.S. presence in Northeast Asia. Instead of having two allies working closely together, U.S. military planners must conduct most of their operations on two bilateral tracks. Given that the common threat from North Korea, and now antagonistic behavior from China, such as the ADIZ, affects both, Tokyo and Seoul would be well advised to put aside some of their differences and embrace their similarities. Sadly, there seems no prospect of this happening anytime in the near future.

#### Challenges for 2014

The challenges we face in our Northeast Asian bilateral alliances this year are threefold: first, the poor state of Japan-ROK relations; second, North Korea; and third, Chinese provocations. This list has been steady for quite some time, and is unlikely to change soon.

I have already briefly discussed the tensions in the Japan-ROK relationship, but it is worth mentioning here that, if anything, ties seem to be getting worse. Despite their deep economic links, and their shared liberal values such as rule law, freedom of the press, and the like, they find the tensions between them at historically high levels. President Park appears to desire to draw closer to China at Japan's expense, and has steadfastly refused to meet Prime Minister Abe. She has taken the opportunity of visits by senior American officials, such as Vice President Biden, to publicly criticize Japan. For their part, leading Japanese now openly talk about "Seoul fatigue," and a growing resentment against President Park's refusal to reciprocate to Japanese outreach. This is a serious state of affairs, and while the United States cannot make the two nations end their feud, Washington should be doing much more behind closed doors to make clear that our patience is not infinite, and that we cannot be as effective as we want to be if we cannot work in a trilateral fashion with our two most important allies in Asia.

The second major challenge this year is the unending crisis that is North Korea. It is disheartening to say that we currently know even less about what is happening inside Pyongyang than we did during the rule of the late Kim Jong-il. Since executing his uncle late last year, Kim Jong-un has become even more of a wildcard and enigma than his predecessors. By continuing his family's long-term pursuit of nuclear weapons and ballistic missile technology, he has dashed the hopes of some who saw in him an incipient reformer, partial to Disney characters. We no longer have confidence that China retains its traditional influence over the Kim family, as tenuous as that may have been, nor are we any better at anticipating Pyongyang's next provocative act.

The Six Party Talks, designed to solve the nuclear crisis, have been stalled since 2008, and the Obama Administration's one attempt at a deal, the 2012 Leap Day Agreement, was broken by the Kim regime just months after its signing. The Administration does not appear to have any current initiatives to deal with North Korea, and U.N. sanctions continue to be undercut by China. As long as there is a stalemate between North Korea and the rest of the world, Pyongyang wins. Even the devastating U.N. report detailing human rights abuses and the crimes against humanity that are regularly perpetrated by Pyongyang seems to have had little effect on galvanizing some type of approach to put more pressure on this heinous regime. Moreover, the longer America waits and watches developments in the country, the more competent North Korea becomes in its nuclear and missile programs.

Nor is there much reason to be confident about the trajectory of China. Unlike his immediate predecessors, President Xi Jinping has consolidated his power in his first year in office. He appears to have better control over the military than former president Hu Jintao ever did, and has streamlined his country's national security decision-making process. He now has nine full years to push forward not only his program for domestic economic reform, which the United States should welcome, but also his national security objectives, which increasingly seem to be at odds with a stable Asia-Pacific region.

President Xi's first year saw new and destabilizing acts, such as the establishment of the East China Sea air defense identification zone. Provocations over the Senkakus also increased, with reports of Chinese fighter jets being sent near the area and an instance of a Chinese naval vessel locking its firing radar on a Japanese Maritime Self-Defense ship. If these are any indications to go by, President Xi is comfortable pushing the boundaries of provocative behavior. That is the reason the trend line in Asia is negative, and is not improving despite regular high-level U.S.-Chinese interaction, such as the Sunnylands summit between Presidents Obama and Xi last year and Vice President Biden's visit to Beijing last December.

It appears that the Chinese government has calculated that it can continue its assertive, even coercive, actions in the face of America's protestations that it is rebalancing to the Pacific. Tensions are running high enough in Northeast Asia to cause Prime Minister Abe to remark at Davos earlier this year that Sino-Japanese relations are in a pre-1914 stage. As of now, it does not seem that Washington has come up with a successful policy that can encourage Beijing to act in a constructive manner on security issues, while continuing its integration into the world economy. Not surprisingly, many believe this is the greatest foreign policy challenge our country will face in the coming generation.

#### Areas for bilateral and trilateral cooperation in 2014

Given the challenges in Northeast Asia faced by us and by our allies Japan and South Korea, there are important areas of cooperation that Washington can explore. Bilaterally with Japan, Washington should work to clarify how it can help preserve stability around the disputed Senkaku islands, including in the air domain. While war between Japan and China over the Senkakus is a remote possibility, there is a

much higher likelihood that an accident could cause a true crisis, and perhaps even limited conflict. Although the U.S. Government has chosen not to take a position on the sovereignty claims by Japan and China, it recognizes Japan's long-standing administration of the islands. Thus, showing support for Japan through a greater American presence in the immediate waters around the islands does not seem like a provocation on our part.

In addition, continuing expanded military exercises between U.S. and Japanese forces, such as last month's Iron Fist exercise in California with U.S. Marines and Japanese Ground Self-Defense Force units, will help the Japanese military become a more capable force and more credible in its new focus on protecting Japan's southwestern islands from threat. There is also room for more cooperation between the U.S. Air Force and Japan Air Self-Defense Force in refusing to recognize China's ADIZ over the East China Sea. Such activities have a clear diplomatic component, as well, and can serve to promote a clear vision of U.S. engagement in the region.

Finally, the economic basis of the U.S.-Japan relationship can be strengthened by a timely conclusion of the Trans-Pacific Partnership talks. Unfortunately, the recent round of negotiations in Singapore showed that there remains a significant gulf between Washington and Tokyo on import tariffs, especially for agricultural goods. On top of that, the apparent death of "fast track" Trade Promotion Authority in the Senate means that any TPP agreement would find it difficult to get ratified. There are also reports that foreign negotiators are hesitant to make any agreement if they cannot be assured of fast track status in the U.S. Senate. The Obama Administration must push both at home and in Tokyo to better sell the benefits of a high-standards free trade agreement.

Washington's interest in North Korean denuclearization means that 2014 should be a year of new initiatives with Seoul. To let another 12 months go by without any new approach to pressuring North Korea means that Kim Jong-un will further strengthen himself. Recommitting to financial sanctions against the Kim family and its lieutenants may be one way of bringing them back to the table, but the State Department must work with Seoul and Tokyo to have a united front in the face of Chinese opposition. On the security side of the U.S.-ROK alliance, clarifying Seoul's readiness for OPCON transfer will help remove future uncertainty. Working, as well, to improve South Korea's ballistic missile defense capability can provide some assurance that threats from the North can be answered.

Most of these initiatives could be done in a trilateral fashion, since Japan and South Korea face similar security challenges. There is, however, little to no likelihood of Seoul and Tokyo agreeing to work more closely on their own. Nonetheless, the Obama Administration should push firmly for more trilateral cooperation and consultation on the ADIZ, on North Korea, and on building up missile defense capabilities. Blunt talk about the costs of their diplomatic freeze may help move forward quiet initiatives, such as trilateral negotiations on North Korea.

An innovative approach would be to try and expand the limited trilateral military exercises that we currently conduct. Exploring limited joint training is another way to help build trust between the two countries' defense forces. Another idea is to consider a trilateral vision statement on the region's opportunities and challenges. Such a diplomatic document by the liberal leaders in Northeast Asia

could even develop into a larger document bringing in such stalwart U.S. allies as Australia and those that feel increasing pressure from China, like the Philippines.

### How to Create Stronger, Like-Minded Alliances?

In making the rebalance a central part of its foreign policy strategy, the Obama Administration has helped the American government and public begin thinking about our interests in the post-Iraq and Afghanistan world. Recognizing the dynamic nature of the Asia-Pacific, its crucial importance to the global economy, its opportunity to help promote democracy, but also its security challenges is the beginning of setting American foreign and security policy on a new path.

Yet the Administration has also undercut its own policy in two ways: firstly, through defense cuts that make it more difficult to maintain U.S. presence abroad and call into question our long-term credibility; and secondly, by a hesitant approach to China's latest provocations that raise questions about our will in opposing destabilizing actions.

Our allies, foremost among them Japan, have raised concerns about the competing priorities of the Obama Administration. They worry that the rebalance is empty rhetoric and that Washington is all too eager to avoid antagonizing China. Both Seoul and Tokyo wonder if Washington is doing everything it can to blunt North Korea's plans to become a full nuclear power. They are concerned that we are too laissez faire about the balance of power, or perceptions of the balance of power, in Asia.

It is in American interests to make clear to our allies that it is their responsibility to protect their own territory. But Washington must also assure its friends and partners that it will not let the balance of power in Asia shift in favor of those who seek to use might to achieve their objectives. An Asia in which coercion is regularly employed cannot be an Asia that remains peaceful and prosperous in the long run.

There is much that we can do to ensure our resolve is clearly understood. The most important step the Administration can take is to clarify for itself what its actual goals are in Asia. This was perhaps one of the key failings of the rebalance: it never articulated what the Administration desired to accomplish. Is it to blunt China's assertive behavior, to promote democracy and liberalism, or to open markets? For example, the Administration never fully explained why it was seeking more rotational basing opportunities for U.S. forces in Asia, which was perhaps the most visible of its rebalancing moves.

The nations of Asia well understand that Washington and Beijing have very different visions for Asia's future. The Administration would do well to recognize the reality that we and the Chinese unfortunately agree on very little and have competing goals. We can and should continue to try and work with the Chinese, but the clearest signal would be sent to our Northeast and Southeast Asian allies if we appeared to understand what is evident to everyone in the region: China seeks to build its power and influence to a point where it has the freedom of action to carry out any policy that it desires. While there is little reason to believe Beijing wants war or any type of conflict, it appears increasingly willing to risk hostilities because it believes that no one will oppose it.



Second, Congress and the Administration must do everything possible to ensure that current and projected defense cuts do not further erode our readiness or our presence in Asia. If the numbers of planes and ships in Asia start to dip, it will be harder to maintain our credibility. Joint exercises and military exchanges need to be fully funded, so that partner militaries believe that we remain a steadfast friend to them.

Third, strategic planning exercises, like the Quadrennial Defense Review, should not be budget-driven documents, but rather explore what the military really needs in order to maintain its qualitative superiority in Asia. What types of weapons systems are best suited to Asia's unique challenges of distance and potential adversaries with growing capabilities? How can we take advantage of asymmetric means of defense? Once we have done that, then the Pentagon needs to reach out to Tokyo and Seoul to discuss the best ways in which they can build to their strengths and complement our investments.

In short, in order to build like-minded alliances, both Congress and the public should push the Administration to be clear-eyed about the challenges we face, openly discuss them, and have a realistic plan for meeting them. That would reassure our allies that we truly put our shared values at the center of our foreign policy and that we will not ignore the actions of those who seek to destabilize Asia in their favor. The result of such an approach will be stronger liberal alliances and quite likely a region that is more stable and prosperous.

I look forward to any questions the Committee may have. Thank you.

Respectfully submitted,

Michael Auslin