



JUNE 2015

NAVIGATING THE FUTURE

U.S.-Taiwan Maritime Cooperation
and Building Order in Asia

By Alexander Sullivan



Center for a
New American
Security

About the Author

Alexander Sullivan is an Associate Fellow in the Asia-Pacific Security Program at the Center for a New American Security and a prospective Ph.D. student in political science at Georgetown University.

Acknowledgements

The author is indebted to Patrick Cronin, Ely Ratner, and Shawn Brimley for their comments on this paper. Melody Cook and Maura McCarthy provided valuable assistance in design and editing. The author also thanks the Taiwan Economic and Cultural Representative Office in the United States for its support of this research.

Cover Image: TAIWAN STRAIT (March 1, 2014) Ensign Christopher Hevey, assigned to the Arleigh Burke-class guided-missile destroyer USS *Spruance* (DDG 111), uses binoculars to investigate a contact during a Taiwan Strait transit. *Spruance* is deployed to the U.S. 7th Fleet area of responsibility supporting security and stability in the Indo-Asia-Pacific region. (U.S. Navy photo by Lt. j.g. John Horne/Released)

The ongoing strategic rebalancing to the Asia-Pacific is based on the premise that “the United States is a historic Pacific power whose economy, strength, and interests are inextricably linked with Asia’s economic, security, and political order.”¹ The policy has strong bipartisan roots and myriad drivers and is thus likely to remain a signal feature of U.S. foreign policy for the foreseeable future.

Among the many goals of U.S. rebalancing is “maintaining a maritime order based upon respect for international law,” including the peaceful resolution of disputes and opposition to intimidation or coercion.² Likewise, strengthening the United States’ unofficial relations with Taiwan is “a key element of the U.S. strategic rebalance to the Asia-Pacific.”³ The relationship is multifaceted and serves the values and interests of both sides. Alongside vibrant commercial and cultural bonds, “security ties with Taiwan are perhaps the most high-profile element of the U.S.-Taiwan relationship.”⁴ No facet of the security relationship is more important than the maritime domain. Indeed, the security of Taiwan is inextricably linked with the type of maritime order that U.S. policy envisions in the region.

Recent years have seen a rise in traditional and nontraditional threats to maritime security in Asia, especially a pattern of coercive behavior that has unsettled the region. Taiwan is at the geographic and political heart of these trends. Thus, in support of its goals both for building maritime order and for strengthening U.S.-Taiwan unofficial relations, the United States should – while managing ties with Beijing according to the long-standing foundations of U.S.-China relations – advance maritime cooperation with Taiwan. An agenda for doing so would include building transparency, fostering dialogue, and bolstering stability. This brief will outline Taiwan’s significance within the Indo-Pacific maritime region and then offer specific policy recommendations for both sides to improve cooperation.

SITUATING TAIWAN IN THE GEOGRAPHY AND POLITICS OF MARITIME ASIA

Taiwan’s maritime geography grants it indelible strategic significance in the region. It is the linchpin of the first island chain: It and its outlying islands sit athwart critical sea lanes that link the East and South China Seas, and its maritime environs constitute one of the key edges of the open Western Pacific. This is one reason – in addition to the security of the people on Taiwan – why peace and stability across the Taiwan Strait should be a matter of concern to countries throughout the region.

Taiwan’s maritime geography grants it indelible strategic significance in the region. It is the linchpin of the first island chain: It and its outlying islands sit athwart critical sea lanes that link the East and South China Seas, and its maritime environs constitute one of the key edges of the open Western Pacific.

Beyond the Taiwan Strait, Taipei is an actor in the East and South China Seas. Through its sovereignty claims – identical to those of Beijing – Taipei is a party to high-profile territorial and maritime disputes such as those over the Senkaku/Diaoyutai Islands in the East China Sea and the Parcel and Spratly Islands in the South China Sea. Taiwan also

occupies Taiping Island (Itu Aba), the largest of the Spratly Islands and one of the few features in the South China Sea that likely would be ruled an island under Article 121 of the United Nations Convention on the Law of the Sea (UNCLOS).⁵ This gives Taiwan a tangible presence and enduring role to play in one of the world's most critical waterways.

Politically speaking, Taiwan's maritime security is inseparable from developments both in the Taiwan Strait and in the East and South China Seas. The latter have given regional observers cause for concern in recent years. Although the former have been developing positively for quite some time, they may be headed for dangerous shoals.

CROSS-STRAIT RELATIONS

Cross-strait relations have improved markedly under the tenure of President Ma Ying-jeou, which began in 2008. Under the expedient framework of the "1992 Consensus" – that both sides accept that there is one China, but differ as to its interpretation – Ma has pushed cross-strait cooperation, resulting in 21 economic agreements between the two sides. February 2014 saw the first official government talks since the Nationalist government fled the mainland in 1949, and reciprocal visits have continued. Ma also pressed, albeit unsuccessfully, to meet with Chinese President Xi Jinping at the November 2014 Asia-Pacific Economic Cooperation (APEC) meeting in Beijing.⁶ Polling released by Taiwan's Mainland Affairs Council in December 2014 suggests that public opinion generally favors the gradual institutionalization of cross-strait exchanges as well as continued official interaction.⁷ Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel has reaffirmed that "the United States continues to support these and other cross-Strait dialogues at a pace acceptable to people on both sides of the Strait."⁸

Nevertheless, increasing economic integration has not converted into greater enthusiasm for unification among the people on Taiwan, contra the raised expectations of Chinese leaders. The aforementioned December 2014 poll indicates that 84 percent of the populace supports maintenance of the status quo – virtually unchanged from a year earlier.⁹ Moreover, in 2014 Taiwan's political landscape was rocked by the so-called Sunflower Movement, during which students occupied the Taiwanese legislature over its secretive passage of a Cross-Strait Trade in Services Agreement that many saw as making Taiwan too dependent on the mainland economically. The episode demonstrated a "widespread lack of trust and apparent depth of public anxiety about possibly falling into a PRC [People's Republic of China] reunification trap."¹⁰ This anxiety led directly to victories in local elections in November 2014 by the opposition Democratic Progressive Party, which retains a pro-independence campaign plank and leaders of which have in the past flirted with moves toward independence.¹¹ As Taiwan moves toward its January 2016 presidential election, China will be watching closely for signs that any future government would slow the pace of cross-strait integration. While Xi has made comments affirming China's goal of peaceful reunification, if Beijing's hopes are further frustrated, its potential reactions cannot be predicted with certainty.¹²

Leaders in Beijing continue to view political reunification with Taiwan as a matter of the gravest importance, "inextricably related to national self-respect and regime survival."¹³ The issue likely impelled the articulation of the oft-cited concept of "core interests": the evolving list of issues over which China signals it will take drastic action, and respect for which forms the basis of China's hopes for a "new type of great power relations" with the United States.¹⁴ While there is some strategic ambiguity in the actual application of core interests, China's 2005 anti-secession law and behavior in historical crises demonstrate that it reserves the right to use force to settle cross-strait political disputes, especially those surrounding potential Taiwanese independence.

China's first-ever public military strategy, released in May 2015, stated that, “[cross-strait] reunification is an inevitable trend in national rejuvenation.”¹⁵

These political dynamics are playing out beneath the lengthening shadow of China's military might. China's military budget, which continues to grow at double-digit rates despite a potentially severe slowdown in the broader economy, has furnished ever-increasing numbers of missiles, airplanes, naval vessels, and ground forces positioned across the Taiwan Strait. Although estimates vary, experts often cite 1,500 as a ballpark figure for the number of missiles that the People's Liberation Army (PLA) has aimed at Taiwan.¹⁶ These trends led Taiwanese National Security Bureau Director Tsai Der-sheng to assert in March 2014 that, unaided, Taiwan would not be able to last one month should Beijing choose to invade.¹⁷

MARITIME SECURITY IN THE EAST AND SOUTH CHINA SEAS

Over the past seven years, a pattern of “tailored coercion” has become part of the fabric of security politics in the Indo-Pacific. Tailored coercion refers to incremental acts of assertiveness calibrated to achieve a political end, such as effective control of a key feature in the South China Sea, without triggering intervention by a third party or provoking a regional counterbalancing coalition.¹⁸ It combines all elements of national power, including military and paramilitary forces, diplomacy, economic power, and information campaigns. Although it is by no means the only country engaging in security activism in maritime Asia, China has far outstripped other actors in using tailored coercion to augment its control over its near abroad and critical maritime approaches.¹⁹

China's proximate tactics exploit the capability gaps of targets, such as the Philippines and Vietnam, and areas of legal or political ambiguity to seize the initiative and “[shift] the burden of retaliation to its adversary.”²⁰ Exculpatory media narratives sow

doubt over who is initiating and defending and accentuate areas of ambiguity. Using asymmetric anti-access/area denial (A2/AD) capabilities to discourage intervention by the United States is a key element. Well-timed economic incentives can soften opposition in target countries or divert prospective members of balancing coalitions. Finally, China exerts its influence to vitiate multi-lateral security architectures, instead insisting that security and political issues be handled through bilateral channels where power asymmetries most favor it. This approach, while raising alarms in Washington and the region, has allowed China to change facts on the ground in the East and South China Seas without incurring significant costs.

While Taiwan is an active party in both the East and South China Seas, it has only rarely been a target of Chinese coercive behavior in those waters. Indeed, the recent rise of tailored coercion in the “near seas” may have been enabled in part by the relative quiescence of and progress in cross-strait ties. However, functionally speaking, China's Taiwan strategy represents the superlative case of tailored coercion in maritime Asia. According to

The recent rise of tailored coercion in the “near seas” may have been enabled in part by the relative quiescence of and progress in cross-strait ties. However, functionally speaking, China's Taiwan strategy represents the superlative case of tailored coercion in maritime Asia.

the Department of Defense's 2014 assessment of Chinese military power, "China's overall strategy continues to incorporate elements of persuasion and coercion to deter or repress the development of political attitudes in Taiwan favoring independence."²¹ The A2/AD complex identified by U.S. analysts as aiming to hold Washington at bay in a conflict is most robust across the Taiwan Strait, and the most complex PLA joint exercises seem geared to Taiwan contingencies.²² Just as it has resisted multilateral approaches to security issues, Beijing has used its post-1970s status as the recognized government of China and its growing international clout to constrict Taiwan's international space and prevent it from "joining or even participating in organizations that require statehood – and many that do not."²³ Indeed, whereas in other venues China insists on bilateral management of issues, due to its ambiguous status Taiwan cannot rise to the level of state-to-state relations with the mainland. Beijing's January 2015 issuance of a new commercial flight route that is much closer to the median line of the Taiwan Strait has been viewed in Taiwan as an incremental foray in changing the status quo and follows similar administrative tactics such as expansive unilateral Chinese fishing regulations in the South China Sea.²⁴ As elsewhere, economics play a key role in Beijing's efforts to induce the people on Taiwan to accept the former's political preferences – fear of which underlay the Sunflower Movement.

What does this all add up to? The general improvement in cross-strait ties over the last seven years, which has been welcomed by the United States, cannot be assured in the coming years. China has also displayed greater comfort in flexing its muscles against neighboring states in areas where Taiwan has interests, in ways that mirror its overall coercive (if latently so, in recent years) approach to Taiwan. The United States, based on its abiding interests as a Pacific power and security guarantor, continues to support peace and stability in

the Taiwan Strait and across the Asia-Pacific; but regional actors including Taiwan are feeling growing pressure on their interests, much of it emanating from China. This is to say nothing, of course, of the myriad transnational security threats that affect the whole region – especially islands such as Taiwan – including natural disasters, piracy, transnational crime, illicit trafficking, illegal fishing, etc. These trends put a fine point on the need to establish an open, inclusive system and – while not departing from the basic, long-standing foundations of U.S. Taiwan and broader Asia policy – take "coordinated action to uphold regional and global rules and norms."²⁵ The United States and Taiwan, jointly and separately, have significant stakes in this effort and also have the capabilities to play a positive role in advancing maritime cooperation that serves the interests of both sides and the broader region.

AN AGENDA FOR ENHANCING U.S.-TAIWAN MARITIME COOPERATION

Short of a major change in the regional security environment, the fundamental framework of U.S.-Taiwan relations will remain unchanged: The United States will continue to uphold the "one China policy," not support Taiwan independence, and hew to the Three Communiqués underpinning normalized U.S.-China relations. At the same time, the United States will preserve "strong, unofficial relations with Taiwan ... in line with the U.S. desire to further peace and stability in Asia."²⁶ Washington will continue to uphold the commitments encoded in the Taiwan Relations Act (TRA) to help Taiwan maintain a credible self defense against the threat or use of force. The United States does not support unilateral changes to the status quo from either side of the Taiwan Strait. As it has done since the Taiwan policy review of the 1990s, Washington will "[support] Taiwan's membership in international organizations where statehood is not a requirement for membership, and ... encourage Taiwan's meaningful participation in other organizations."²⁷ These

policies serve the shared interest of all responsible policymakers in preventing armed conflict.

Within this scope, there is ample room for both the United States and Taiwan to augment their current efforts in ways that leverage Taiwan's considerable knowledge and experience, shore up Taiwan's self defense, and advance security in maritime Asia broadly. Taiwan's ambiguous international status creates special needs and sets unique conditions for cooperation in any domain, including the maritime. Broad vectors of effort should include: building transparency, to support broader understanding of both policy positions and facts on the ground; fostering dialogue, through which regional actors can set norms and expectations about acceptable security behaviors through rules-based, consultative processes; and bolstering stability, so the agreed-upon rules of the road can be consistently applied without fear of coercion or intimidation.

... there is ample room for both the United States and Taiwan to augment their current efforts in ways that leverage Taiwan's considerable knowledge and experience, shore up Taiwan's self defense, and advance security in maritime Asia broadly.

BUILDING TRANSPARENCY INTO ACTIVITIES AND POLICY POSITIONS

Taiwan should:

- Clarify its claims in the East and South China Seas on the basis of international law, especially the United Nations Convention on the Law of the Sea;
- Extend positive steps such as the East China Sea Peace Initiative (ECSPI) to all of its regional disputes and consistently implement them in practice.

The United States should:

- Seek to support Taiwan's participation in some form in a regional multilateral common operating picture for maritime domain awareness.

As mentioned above, patterns of coercion in maritime Asia in recent years have relied upon “gray zones”: places where there is ambiguity about facts on the water and legal or political precedents. The classic example in this vein is the increasing use of white-hulled maritime law enforcement vessels to assert sovereignty – and even exert force – without provoking a military response. In cases from Scarborough Shoal in 2012 to the placement of a Chinese oil rig in Vietnam's exclusive economic zone (EEZ) in 2014, China has exploited the bright line between law enforcement and military vessels to overwhelm smaller rivals with unmatched capacity, creating *faits accomplis* that assert its sovereignty over disputed areas.

Sometimes, as at Scarborough Shoal, the gray zone arises from insufficient visibility into unfolding events: Had the Philippine naval vessel BRP *Gregorio del Pilar* known of the presence of Chinese official vessels near Scarborough Shoal, it might have exercised greater caution in using a warship to conduct police actions, which became the precedent for China to flood the zone with overwhelming presence.²⁸

Greater capacity-building to improve the maritime domain awareness (MDA) of regional states can diminish these types of gray-zone misunderstandings. China should be invited to join in efforts at improved MDA and may in fact see some benefit: Greater transparency would help to rally opposition to unilateral acts of coercion by any actor. If China elects not to participate, other actors should proceed without it. Getting governments on the same page with all-hazards information can help address a host of shared security concerns, including humanitarian assistance/disaster relief (HA/DR), terrorism, piracy, illicit trafficking of various kinds, search and rescue, and other challenges.

For all these reasons, at the 2014 Shangri-La Dialogue, then-Secretary of Defense Chuck Hagel articulated “a clear and shared interest in building a common understanding of the regional security environment, including more information-sharing, greater maritime cooperation, and more joint and combined exercises” with regional states.²⁹ This construct has also been called a regional “common operating picture.” Singapore has already invested in a number of facilities to support regional information-sharing, and the United States is looking to work with allies such as Japan and Australia on building maritime security capacity in Southeast Asia.³⁰

Indeed, Taiwan – an international leader in information technology – is well-positioned to contribute to such an effort. It has amassed a range of information-gathering hardware and is building more sophisticated “human software” architectures for collection, fusion, and dissemination of information gathered in multiple domains.³¹ According to reporting, the geographic scope of Taiwan’s coverage is such that it could likely already provide useful data to a multilateral network and could link up with other actors, especially as more capacity comes online in Southeast Asia.³² Without diverting scarce hardware, Taiwan’s experienced professionals have the ability to provide knowledge and training to partners. Such

an effort would also comport with Taipei’s efforts to build HA/DR capacity and deploy it in response to regional disasters.³³

Because of its international status, and for fear of blowback from Beijing, Taiwan is not permitted to join the Association of Southeast Asian Nations (ASEAN) as a dialogue partner or participate in ASEAN-centered institutions that govern maritime security. Taiwan would also likely have to assuage concerns among neighbors about information security, especially leaks to Beijing, before such partners would share data. But should such a common operating picture be U.S.-led, as is likely, Washington should support Taiwan’s participation in some form down the road. Taiwanese involvement could be at the nongovernmental organization (NGO) level. Regional crisis response is genuinely enhanced when NGOs have a way to plug in and contribute data, and Taiwan has experience with such an arrangement through the Taipei-based International Telecommunication Development Corporation’s participation in the International Satellite System for Search and Rescue.³⁴

But should such a [regional] common operating picture be U.S.-led, as is likely, Washington should support Taiwan’s participation in some form down the road. Taiwanese involvement could be at the nongovernmental organization level.

Another type of transparency that would improve Taiwan's position and image in the region is to publicly clarify its positions in areas of existing tension, especially the South China Sea. Mainland China's refusal to clarify its identical claims, which cover at least 62 percent of the South China Sea – and the most expansive interpretations of which the U.S. State Department has stated have no basis in international law – has allowed it to flexibly pursue a maximalist interpretation and seize opportunities to unilaterally advance its effective control.³⁵ This ambiguity has drawn criticism from quarters that otherwise might not have considered the issue a priority: Because China has refused to deconflict the 10-dashed line from maritime claims generated by Indonesia's Natuna Islands, President Joko Widodo stated that the 10-dashed line has no basis in international law on a March 2015 visit to Japan.³⁶

Specifically, Taipei should fully explain its claims in the South China Sea on the basis of international law. Such a clarification would build on numerous positive steps taken in this vein by President Ma.³⁷ In August 2012, Ma announced the East China Sea Peace Initiative, which despite reiterating Taiwan's sovereignty claims, advocates for nonaggressive actions, pursuit of dialogue, respect for international law, the eventual signing of an East China Sea Code of Conduct, and pragmatic steps for the joint development of resources. This initiative found concrete expression in the conclusion of a long-sought fisheries management agreement with Japan.³⁸ In the South China Sea, Taipei has pledged not to cooperate with Beijing and peacefully settled a dispute with the Philippines after the latter's coast guard shot a Taiwanese fisherman in May 2013.³⁹

In September 2014, Ma appeared to offer some clarification, noting that when the Kuomintang-led Republic of China government promulgated the original 11-dashed line in 1947, it was claiming sovereignty only over the enclosed land features

and the maximum 12-nautical-mile contiguous territorial seas, not more expansive maritime entitlements.⁴⁰ This is a positive step and is perhaps as far as Ma is able to go, given his continued investment in improving cross-strait relations, as Beijing is likely to interpret a full revision of Taiwan's claims as tending toward separatism. If there is short-term latitude in Taiwanese policy, Taipei should consider pre-emptively declaring that it will abide by the International Tribunal for the Law of the Sea's forthcoming decision on the Philippines' arbitration case, in which the legality of the 10-dashed line is likely to be at issue. If not, depending on the outcome of the 2016 election, future Taiwanese governments should consider a full clarification of Taiwan's claims based solely on UNCLOS and not "historic rights." It may be in Beijing's interest to maintain ambiguity in its claims in the South China Sea, but it is no longer in Taipei's interest to do so.

It may be in Beijing's interest to maintain ambiguity in its claims in the South China Sea, but it is no longer in Taipei's interest to do so.

Taiwanese leaders, both present and future, should adhere to the spirit of the ECSPI and refrain from shows of force in disputed areas of the East China Sea. These actions would demonstrate Taiwan's commitment to being a law-abiding actor and positive force in areas of continuing tension and would place pressure on Beijing to make transparent vague claims that have contributed to instability in regional politics. Clarifying ambiguous claims may also make it easier for regional states to consider new forms of cooperation with Taiwan.

FOSTERING DIALOGUE ON NORMS AND EXPECTATIONS

The United States should:

- *Advocate greater participation for Taiwan in various regional and global consultative bodies that address maritime security issues.*

In such a dynamic region, basic transparency about facts and positions is insufficient – security issues must be actively negotiated and managed. The United States takes a strong stand in favor of the peaceful resolution of disputes and seeks for problems to be handled through an open, inclusive, rules-based system. This policy has been one factor contributing to the growth of multilateral security architectures in the region, including but not limited to those centered on ASEAN such as the ASEAN Regional Forum, the ASEAN Defense Ministers’ Meeting Plus, and the East Asia Summit. These and other forums are the tables at which critical information is exchanged and the rules of the road for managing complex security challenges are set – and Taiwan is largely denied a seat at them.⁴¹ Based solely on its geography and the features it occupies, Taiwan has a stake in the East and South China Seas that is disproportionate to its current representation in regional bodies.

The United States should press for Taiwan’s inclusion in maritime security consultative bodies where possible within the framework of the one China policy. This would both support the growth of multilateral approaches in general, a critical part of U.S. Asia policy, and comport with U.S. efforts to encourage Taiwan’s “meaningful participation” in international organizations.

A special vector of U.S. effort in this regard is to press the United Nations and its relevant agencies for greater inclusion of Taiwan or Taiwanese entities, despite Beijing assuming U.N. representation of China in 1971.⁴² On maritime issues, Taiwan should be granted observer status or at least

NGO participation in the International Maritime Organization and the United Nations International Strategy for Disaster Risk Reduction. Taiwan has both the will and capability to make significant contributions to the work of those agencies.⁴³

Because coast guards and other maritime law enforcement agencies are so often on the front lines of disputes, dialogue between those actors over expectations and safe operations is critical to avoiding confrontations that could escalate. The United States recognizes this need and is pushing to extend new standards, such as the Code for Unplanned Encounters at Sea and U.S.-China confidence-building measures for surface-to-surface encounters, from navies to coast guards.⁴⁴

As Taiwan’s coast guard activities span nearly the breadth of maritime Asia, Washington should encourage dialogue forums for regional coast guards to accept greater involvement by the Taiwan Coast Guard Administration. Specifically, Taiwan should be granted observer status and eventually full participation in the North Pacific Coast Guard Forum and the Heads of Asian Coast Guard Agencies Meeting (HACGAM), both of which include China as a member. Though Beijing would likely protest vociferously, the HACGAM already includes Hong Kong as a member “region,” a precedent that could ease Taiwan’s inclusion. Should opposition to official participation be too stiff, Washington should advocate for retired Taiwanese coast guard senior leaders to attend relevant meetings in their personal capacities as subject matter experts.

The Asia-Pacific Economic Cooperation (APEC), of which Taiwan is a member, does not include a dedicated forum for discussing maritime security issues. But the United States and Taiwan should consider using APEC’s Counterterrorism, Emergency Preparedness, and Transportation working groups for engagement on relevant maritime security issues, at the very least, to strengthen

Taiwan should be granted observer status and eventually full participation in the North Pacific Coast Guard Forum and the Heads of Asian Coast Guard Agencies Meeting (HACGAM), both of which include China as a member. Though Beijing would likely protest vociferously, the HACGAM already includes Hong Kong as a member “region,” a precedent that could ease Taiwan’s inclusion.

personal relationships and establish connections that could be helpful should maritime crises arise between or among member economies in the future. If shaping the agenda in this way proves infeasible, the United States can work to ease the path for substantive conversations on maritime disputes on the sidelines of APEC meetings.

Overall, Taiwan’s meaningful inclusion in various maritime security dialogues, even in unofficial capacities, will boost its ability to address the pressing maritime challenges of contemporary, globalized Asia. Furthermore, Taiwan’s knowledge and expertise can elevate regionwide approaches to the same issues.

BOLSTERING STABILITY IN SUPPORT OF THE RULES-BASED SYSTEM

Taiwan should:

- Meet and sustain the stated bipartisan goal of 3 percent of GDP spent on defense;
- Pursue innovative, asymmetric, sustainable thinking and practices in developing its defense posture.

The United States should:

- Continue to meet its obligations under the Taiwan Relations Act and the Six Assurances, including notification of major conventional weapons sales, and prioritize asymmetric capabilities therein;
- Share its evolving knowledge and expertise with counterparts on Taiwan, including on the use of commercial technology for military purposes and the sustainable development of an all-volunteer force;
- Facilitate greater exchanges between and among Taiwan and U.S. allies that can provide unique doctrinal perspectives on Taiwan’s military challenges.

Stability is a prerequisite for the peaceful resolution of disputes that is central to the U.S. vision for maritime Asia. Rules of the road derived through transparent dialogue cannot be consistently applied in an environment of unconstrained recourse to coercion or force. In the context of the Taiwan Strait, “the United States has an abiding interest in peace and stability across the Strait.”²⁴⁵ Moreover, the U.S. official position is that “strong United States support for Taiwan autonomy also helps give our friends on Taiwan the confidence to strengthen their cross-Strait relations.”²⁴⁶ The United States rightly remains committed to helping Taiwan field a credible self defense under the framework of the TRA and the Six Assurances, including through continued notifications of major conventional weapons sales.

However, it is incumbent upon the United States and Taiwan to work together to put their security ties on a sustainable footing. As documented in annual Department of Defense reports to Congress, the military balance across the Taiwan Strait continues to shift in China's favor, and economic trends portend that the gulf will only grow. In this context, it is critical that the Taiwan government meet and sustain its stated commitment to increase defense spending to 3 percent of GDP.⁴⁷ Reaching this bipartisan goal will both improve Taiwan's capabilities and demonstrate that it is serious about its own defense.

Even if Taiwan chooses to boost and sustain its overall defense spending, its efforts will fail if the right amount of money is spent on the wrong things. After all, the PLA's stated 2014 budget increase was greater than Taiwan's entire 2014 defense outlays.⁴⁸ This imbalance makes it vital that Taiwan "pursue innovative, asymmetric strategies to deter a possible Chinese effort to invade, coerce, or attack Taiwan."⁴⁹ U.S. policy supports this vision for Taiwan's development of its armed forces.⁵⁰

Taiwan's overall military strategic thinking is appropriately geared toward the maritime domain, the clearest manifestation of which is the push to produce roughly four indigenous diesel-electric attack submarines.⁵¹ Taiwan expects to need overseas help to complete the program and has long looked to the United States for assistance despite the fact that the latter no longer produces non-nuclear submarines.⁵² Some serious American experts advocate U.S. assistance in this program as a "credible and survivable deterrent."⁵³ Others, however, question the utility of purchasing few large submarines given the opportunity costs per platform. The latter school is even more skeptical of continued reliance on high-end fighter aircraft.⁵⁴ Instead, these experts call for Taiwan to institute an anti-access/area denial capability of its own: more distributed, survivable capabilities

across all domains to frustrate PLA attempts at gaining local sea and airspace control, rather than contesting for Taiwan's own dominance of those spaces.⁵⁵ Whatever happens with the submarine program, its premise is positive in that it demonstrates recognition that seeking to match the PLA platform for platform is futile and focuses on the psychological elements of deterrence.

Whatever happens with the submarine program, its premise is positive in that it demonstrates recognition that seeking to match the PLA platform for platform is futile and focuses on the psychological elements of deterrence.

The United States should work to share its own evolving defense experience to support innovative, asymmetric thinking and sustainable practices in Taiwan's defense community. The Defense Innovation Initiative underway in the Pentagon includes a focus on leveraging commercially available technology in new ways to decrease acquisition costs and increase effectiveness.⁵⁶ Sharing the fruits of these efforts with Taiwan should be a key priority in the two sides' defense exchanges and training. Similarly, the Pentagon should share with Taiwan the totality of lessons learned from the U.S. transition to an all-volunteer force – an expensive and difficult process that Taiwan is only beginning.⁵⁷

In addition, both sides should recognize that each military's doctrine arises from its own unique requirements and orientations. U.S. doctrine is naturally much more focused on power projection and expeditionary operations than on the kind of protracted island defense for which Taiwan must prepare. Thus, to the extent possible given other countries' wariness about cooperation with Taiwan, Washington should facilitate information exchanges between and among Taiwan and U.S. allies and partners whose doctrines may be more directly applicable to Taiwan's requirements. Japan in particular has significant historical experience with island defense, and its current framework of "joint dynamic defense" contemplates many of the same military challenges faced by Taiwan.

The United States' interest in the maintenance of peace and stability in maritime Asia is clear, enduring, and necessary if cooperative, rules-based approaches to thorny issues are to flourish. In the Taiwan Strait, Taiwan's confidence in a credible deterrent is key for allowing cross-strait ties to develop at a pace acceptable to both sides, free from the specter of coercion or conflict. Maintaining peace and stability into the future will require both sides to commit to innovative thinking and deepened cooperation.

CONCLUSION

Doing more with Taiwan always carries the risk of ephemeral or more severe damage to bilateral relations with China – at least on the surface. The Taiwan issue remains highly neuralgic for Beijing, despite the fact that the United States maintains a strong relationship with Taipei and cross-strait relations have never been better. Barring a drastic change in the regional security environment, Washington should maintain the basic foundations of its China policy, and indeed any U.S. policy in Asia should and will proceed alongside continued robust engagement with Beijing. Many of the foregoing recommendations are aimed at addressing shared security challenges in the maritime domain, and thus serve China's interests as well. Moreover, bilateral relations with China should not supersede, but should rather nest within, an overall U.S. Asia policy and strategy. Upholding rules and norms in the maritime domain is one of the most important goals for the United States and its allies and partners, and China's recent willingness to press on those norms demonstrates that more must be done to shore them up.⁵⁸ Advancing U.S.-Taiwan maritime cooperation by building transparency, fostering dialogue, and bolstering stability serves U.S. interests at every level, from the strong, unofficial relationship with Taiwan itself to support for multilateral architectures. With even choppy waters potentially on the horizon for maritime Asia, these types of efforts are perhaps more vital than ever.

ENDNOTES

1. The White House, *Fact Sheet: The Fiscal Year 2014 Federal Budget and the Asia-Pacific* (April 12, 2013), https://www.whitehouse.gov/sites/default/files/docs/asia_pacific_rebalance_factsheet_20130412.pdf.
2. The White House, Office of the Press Secretary, *U.S.-Japan Joint Statement: The United States and Japan: Shaping the Future of the Asia-Pacific and Beyond* (April 25, 2014), <https://www.whitehouse.gov/the-press-office/2014/04/25/us-japan-joint-statement-united-states-and-japan-shaping-future-asia-pac>.
3. Daniel R. Russel, Assistant Secretary of State for East Asian and Pacific Affairs, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," Statement to the Subcommittee on East Asian and Pacific Affairs, Committee on Foreign Relations, U.S. Senate, April 3, 2014, 1.
4. Dr. Kurt M. Campbell, Assistant Secretary of State for East Asian and Pacific Affairs, "Why Taiwan Matters, Part II," Statement to the Committee on Foreign Affairs, U.S. House of Representatives, October 4, 2011, 1.
5. Yann-huei Song, "Taiwan's Development Work on Taiping Island," Center for Strategic and International Studies' Asia Maritime Transparency Initiative, February 18, 2015, <http://amti.csis.org/taiwans-development-work-on-taiping-island/>.
6. Jenny W. Hsu and Eva Dou, "Taiwan President Ma Ying-Jeou to Step Down as Party Chairman," *The Wall Street Journal*, December 2, 2014, <http://www.wsj.com/articles/taiwan-president-ma-ying-jeou-to-step-down-as-party-chairman-1417512843>.
7. "Mainstream Public Supports MAC in Continued Promotion of Institutionalized Cross-Strait Negotiations," Taiwan Mainland Affairs Council, press release, December 25, 2014, <http://www.mac.gov.tw/ct.asp?xItem=110822&ctNode=6337&mp=3>.
8. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," 5.
9. "Mainstream Public Supports MAC in Continued Promotion of Institutionalized Cross-Strait Negotiations"; and Abraham M. Denmark, Vice President for Political and Security Affairs, National Bureau of Asian Research, "Evaluating U.S. Policy on Taiwan on the 35th Anniversary of the Taiwan Relations Act," Testimony to the Subcommittee on East Asian and Pacific Affairs, Committee on Foreign Relations, U.S. Senate, April 3, 2014, 5, http://www.foreign.senate.gov/imo/media/doc/Denmark_Testimony.pdf.
10. Alan D. Romberg, "Cross-Strait Relations: Portrayals of Consistency: Calm on the Surface, Paddling Like Hell Underneath," *China Leadership Monitor*, no. 45 (Fall 2014), 1, http://www.hoover.org/sites/default/files/research/docs/clm45ar-cross-strait_relations-portrayals_of_consistency.pdf.
11. Hsu and Dou, "Taiwan President Ma Ying-Jeou to Step Down as Party Chairman."
12. Lawrence Chung, "'One country, two systems' right formula for Taiwan, Xi Jinping reiterates," *South China Morning Post*, September 27, 2014, <http://www.scmp.com/news/china/article/1601307/one-country-two-systems-right-formula-taiwan-xi-jinping-reiterates?page=all>.
13. Michael D. Swaine, "Trouble in Taiwan: Strait Talk," *Foreign Affairs* (March/April 2004), <http://www.foreignaffairs.com/articles/59708/michael-d-swaine/trouble-in-taiwan>.
14. Michael D. Swaine, "China's Assertive Behavior, Part One: On 'Core Interests,'" *China Leadership Monitor*, no. 34 (February 2011), http://carnegieendowment.org/files/CLM34MS_FINAL.pdf; and David M. Lampton, "A New Type of Major-Power Relationship: Seeking a Durable Foundation for U.S.-China Ties," *Asia Policy*, no. 16 (July 2013), <http://www.nbr.org/publications/element.aspx?id=650>.
15. United States Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2014* (2014), 52–4 [Hereafter, *2014 DoD China Report*.]; State Council Information Office of the People's Republic of China, *China's Military Strategy* (May 26, 2015), http://english.chinamil.com.cn/news-channels/2015-05/26/content_6507716.htm.
16. Randall G. Schriver, President and CEO, Project 2049 Institute, Statement to the Committee on Foreign Relations, U.S. Senate, April 3, 2014, 4.
17. Rich Chang, Lo Tien-pin, and Jake Chung, "Taiwan would not survive month of attack, NSB says," *Taipei Times*, March 11, 2014, <http://www.taipetimes.com/News/front/archives/2014/03/11/2003585362>.
18. Patrick M. Cronin et al., "Tailored Coercion: Competition and Risk in Maritime Asia" (Center for a New American Security, March 2014); and Patrick M. Cronin and Alexander Sullivan, "Preserving the Rules: Countering Coercion in Maritime Asia" (Center for a New American Security, March 2015).
19. Christopher Yung and Patrick McNulty, "China's Tailored Coercion and Its Rivals' Actions and Responses: What the Numbers Tell Us" (Center for a New American Security, January 2015).
20. Amy Chang, Ben FitzGerald, and Van Jackson, "Shades of Gray: Technology, Strategic Competition, and Stability in Maritime Asia" (Center for a New American Security, March 2015), 6.
21. *2014 DoD China Report*, 53.
22. *Ibid.*, 53–56.
23. Bonnie S. Glaser and Jacqueline A. Vitello, "Taiwan's Marginalized Role in International Security: Paying a Price" (Center for Strategic and International Studies, February 2015), vii.
24. Yuan-Ming Chiao, "Mainland China's M503 route takes off amid protests in Taiwan," *The China Post*, March 30, 2015.
25. The White House, Office of the Press Secretary, *U.S.-Japan Joint Statement: The United States and Japan: Shaping the Future of the Asia-Pacific and Beyond*.
26. United States Department of State, Bureau of East Asian and Pacific Affairs, *U.S.-Taiwan Relations Fact Sheet* (February 12, 2015), <http://www.state.gov/r/pa/ei/bgn/35855.htm>.
27. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," 6; and Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, Testimony to the Foreign Relations Committee, U.S. Senate, September 27, 1994, <http://www.ait.org.tw/en/19940927-taiwan-policy-review-by-winston-lord.html>.

28. Ely Ratner, "Learning the Lessons of Scarborough Reef," *The National Interest* (November 21, 2013), <http://nationalinterest.org/commentary/learning-the-lessons-scarborough-reef-9442>.
29. Secretary of Defense Chuck Hagel, "IISS Shangri-La Dialogue" (Shangri-La Hotel, Singapore, May 31, 2014), <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1857>.
30. Secretary of Defense Ashton B. Carter, "Remarks on the Next Phase of the U.S. Rebalance to the Asia-Pacific" (McCain Institute, Arizona State University, Tempe, AZ, April 6, 2015), <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1929>.
31. Mark A. Stokes, "Revolutionizing Taiwan's Security: Leveraging C4ISR for traditional and non-traditional challenges" (Project 2049 Institute, 2010), 5–6.
32. Ian Easton and Randall Schriver, "Standing Watch: Taiwan and Maritime Domain Awareness in the Western Pacific" (Project 2049 Institute, December 2014), 15–16.
33. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," 5.
34. International Satellite System for Search and Rescue (COSPAS-SARSAT), "Participants," <http://www.cospas-sarsat.int/en/about-us/participants>.
35. U.S. Department of State, Bureau of Oceans and International Environmental and Scientific Affairs, *China: Maritime Claims in the South China Sea*, Limits in the Seas No. 143 (December 5, 2014), <http://www.state.gov/documents/organization/234936.pdf>.
36. "Indonesia's President Jokowi says China has no legal claim to South China Sea: Yomiuri," *The Straits Times*, March 23, 2015, <http://www.straitstimes.com/news/asia/south-east-asia/story/indonesias-president-jokowi-says-china-has-no-legal-claim-south-chin/>.
37. Bonnie S. Glaser, "A Role for Taiwan in Promoting Peace in the South China Sea" (Center for Strategic and International Studies, April 15, 2014).
38. "Taiwan, Japan sign 5 pacts after fishery deal," *GlobalPost.com*, November 5, 2013, <http://www.globalpost.com/dispatch/news/kyodo-news-international/131105/taiwan-japan-sign-5-pacts-after-fishery-deal>.
39. "Taiwan, Philippines agree to avoid use of force in fishing disputes," *The Japan Times*, June 17, 2013, <http://www.japantimes.co.jp/news/2013/06/17/asia-pacific/taiwan-philippines-agree-to-avoid-use-of-force-in-fishing-disputes/#.Ut6Q2yj0Ay5>.
40. "Joining the dashes," *The Economist* (October 4, 2014), <http://www.economist.com/news/asia/21621844-south-china-seas-littoral-states-will-fight-museums-archives-and>.
41. Glaser and Vitello, "Taiwan's Marginalized Role in International Security: Paying a Price," 9–18.
42. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," 5.
43. Glaser and Vitello, "Taiwan's Marginalized Role in International Security: Paying a Price," 16–18, 28–34.
44. Admiral Jonathan Greenert, USN, "Admiral Greenert on the Rebalance" (Carnegie Endowment for International Peace, Washington, September 8, 2014), <http://www.navy.mil/navydata/people/cno/Greenert/Speech/140908%20CNO%20speaks%20at%20the%20Carnegie%20Endowment%20for%20Peace.pdf>.
45. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," 1.
46. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act," 1–2.
47. Denmark, "Evaluating U.S. Policy on Taiwan on the 35th Anniversary of the Taiwan Relations Act," 6.
48. Edward Wong, "China Announces 12.2% Increase in Military Budget," *The New York Times*, March 5, 2014, http://www.nytimes.com/2014/03/06/world/asia/china-military-budget.html?_r=0; and Shirley A. Kan and Wayne M. Morrison, "U.S.-Taiwan Relationship: Overview of Policy Issues," R41952 (Congressional Research Service, December 11, 2014), 26.
49. Denmark, "Evaluating U.S. Policy on Taiwan on the 35th Anniversary of the Taiwan Relations Act," 6.
50. Russel, "Evaluating U.S. Taiwan Policy on the 35th Anniversary of the Taiwan Relations Act."
51. Sam LaGrone, "Taiwan Kicks Off Domestic Attack Sub Program," *USNI News*, January 2, 2015, <http://news.usni.org/2015/01/02/taiwan-kicks-off-domestic-attack-sub-program>.
52. "President reiterates Taiwan's push for local submarine program," *The China Post*, March 31, 2015, <http://www.chinapost.com.tw/taiwan/national/national-news/2015/03/31/432479/President-reiterates.htm>.
53. Schriver, Statement to the Senate Foreign Relations Committee, 4.
54. Van Jackson, "Forget F-16s for Taiwan: It's All About A2/AD," *The Diplomat* (April 8, 2015).
55. Jim Thomas, John Stillion, and Iskander Rehman, "Hard ROC 2.0: Taiwan and Deterrence through Protraction" (Center for Strategic and Budgetary Assessments, 2014).
56. Deputy Secretary of Defense Bob Work, "The Third U.S. Offset Strategy and its Implications for Partners and Allies" (Willard Hotel, Washington, January 28, 2015), <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1909>.
57. Michael Thim, "The troubled transition to an all-volunteer force in Taiwan," University of Nottingham China Policy Institute blog on Nottingham.ac.uk, December 23, 2014, <https://blogs.nottingham.ac.uk/chinapolicyinstitute/2014/12/23/no-pain-no-gain/>.
58. Elbridge Colby and Ely Ratner, "Roiling the Waters," *Foreign Policy*, January 21, 2014, <http://foreignpolicy.com/2014/01/21/roiling-the-waters/>.

About the Center for a New American Security

The mission of the Center for a New American Security (CNAS) is to develop strong, pragmatic and principled national security and defense policies. Building on the expertise and experience of its staff and advisors, CNAS engages policymakers, experts and the public with innovative, fact-based research, ideas and analysis to shape and elevate the national security debate. A key part of our mission is to inform and prepare the national security leaders of today and tomorrow.

CNAS is located in Washington, and was established in February 2007 by co-founders Kurt M. Campbell and Michèle A. Flournoy. CNAS is a 501(c)3 tax-exempt nonprofit organization. Its research is independent and non-partisan. CNAS does not take institutional positions on policy issues. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the authors.

© 2015 Center for a New American Security.

All rights reserved.

Center for a New American Security

1152 15th Street, NW
Suite 950
Washington, DC 20005

TEL 202.457.9400
FAX 202.457.9401
EMAIL info@cnas.org
www.cnas.org

Production Notes

Paper recycling is reprocessing waste paper fibers back into a usable paper product.

Soy ink is a helpful component in paper recycling. It helps in this process because the soy ink can be removed more easily than regular ink and can be taken out of paper during the de-inking process of recycling. This allows the recycled paper to have less damage to its paper fibers and have a brighter appearance. The waste that is left from the soy ink during the de-inking process is not hazardous and it can be treated easily through the development of modern processes.





Center for a
New American
Security

STRONG, PRAGMATIC AND PRINCIPLED
NATIONAL SECURITY AND DEFENSE POLICIES

1152 15th Street, NW
Suite 950
Washington, DC 20005

TEL 202.457.9400
FAX 202.457.9401
EMAIL info@cnas.org

www.cnas.org



Printed on Post-Consumer Recycled paper with Soy Inks