Testing U.S. Alliance Capacity to Handle Simultaneous Provocations in East Asia

Tabletop Exercise Pacific Trident III

February 4-6, 2020 | Suffolk, Virginia

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On February 4-6, 2020, Sasakawa Peace Foundation USA held an unclassified tabletop exercise (TTX) with experienced policy, defense, intelligence, and military experts from Japan, South Korea, Taiwan, and the United States. This was the fourth Sasakawa Peace Foundation USA TTX focused on challenges to the U.S.-Japan Alliance in the Indo-Pacific. In this scenario, Beijing served as the primary challenger to both the U.S.-Japan and U.S.-South Korea Alliances, with Pyongyang acting as a willing “co-conspirator.

China’s Strategic Objective: Stress U.S. Alliance Structure in East Asia

The objectives of the China Team were to (1) expand Chinese influence and authority in East Asia and (2) drive wedges between the United States and its allies. The China Team took aggressive and innovative actions taking advantage of geography, secrecy, and perceived U.S. policy soft points.

To do this, China took unprecedented risks. It offered major, if not complete, security guarantees to North Korea in return for North Korea undertaking provocative military actions. In the South China Sea, it occupied three new features. In the past, China has been much more cautious and restrained than the China Team in this TTX. The China Team was under instructions not to provoke war with the United States, and always left itself a de-escalation path.

If tabletop exercises are to have any value, they must examine future events that are not simply extensions of current situations and policies. It is by considering different potential future developments that the United States and its allies can discover opportunities to enhance the protection of their shared interests and better understand weaknesses in their current policies and limitations to their strategic positions.

China’s Strategy Did Not Work

Contrary to Chinese hopes, the U.S. alliance network in East Asia tightened and strengthened rather than weakening and fraying.

There were individual points of tension, some of them game artificialities, but overall, teams representing the United States, Japan, South Korea, and Taiwan grasped the challenge that China was posing. They formulated restrained responses as they prepared for stronger countermeasures, consulted closely with one another, and took individual interests into account. The Allies and Taiwan, for their part, registered their individual requests with the United States but they also recognized the regional nature of the challenge and were willing to cooperate in response to China.
Insights and Recommendations

The following specific insights and recommendations are offered:

Participants recognized the value and effectiveness of trilateral crisis consultation and cooperation among the United States, Japan, and South Korea.

TTX participants, all experienced former high-level officials and officers, agreed that trilateral coordination in the game was better than it would actually be in reality. The following recommendations have the objective of bringing real world coordination up to TTX levels.

**Recommendation**

1. Expand the U.S.-Japan Alliance Coordination Mechanism into a trilateral U.S.-Japan-Korea Coordination Mechanism.

The current ACM, established by the 2015 US-Japan Defense Guidelines, is a secure VTC between Washington and Tokyo with wide flexibility in issue and participation. A node for South Korea could be established under the same basic procedures. Disputes between Japan and South Korea over historical events and territory are a current major barrier to this recommendation, but it should be pursued as circumstances allow, and established quickly in the event of developments such as those in this TTX.

Participants recognized the value of U.S., Japanese, and South Korean communication and consultation with Taiwan in dealing with regional Chinese aggression.

During the exercise, China occupied two Taiwan-administered features in the South China Sea. Communication and consultation among the United States, Japan, South Korea, and Taiwan was vital to forming effective multilateral responses. To adhere to respective “One China” policies, all three countries severely restrict visits and other communication mechanisms with Taiwan. The United States has fewer restrictions, but this still makes coordination cumbersome. The two countries have rudimentary channels to coordinate with Taiwan. China reacts strongly to any expansions in these channels. However, the participants in the TTX agreed that improvements can and should be made.

**Recommendation**

2. Expand Japan’s and South Korea’s mechanisms to consult and coordinate with Taiwan so they resemble the robust connection between the United States and Taiwan. Establish a secure VTC link between the United States and Taiwan that can be used for consultations at all levels and among all national security departments. Ensure that this secure VTC can be expanded to other U.S. strategic partners or allies in the event of crisis or conflict.
Participants recognized limitations to current U.S. policy in the South China Sea.

Participants recognized that the long-standing U.S. policy of taking no position on the respective sovereignty claims in the South China Sea undercuts Washington's moral authority and slows its reactions when it makes stability, absence of coercion, and adherence to international law the centerpieces of its policy. Over the course of the TTX, Beijing occupied the Taiwan-held features on Taiping (Itu Aba) and the Dongsha (Pratas) Islands. It also began dredging operations and the construction of a multipurpose facility on the Scarborough Shoal, which is claimed by the Philippines.

The United States would have been in a much stronger position during the TTX, and its policy and military options much more effective, if it had an established position on which of the various claims in the South China Sea it recognized, and which it did not.

For example, Washington could promote a solution that would be based on the well-established legal principle of *uti possidetis*, which means that in absence of agreement to the contrary, every country is entitled to keep what it has. Beijing would almost certainly balk, but if the ASEAN claimants could all agree to this principle, all of ASEAN’s overlapping claims over the Spratly Islands would be resolved. To turn this idea into policy reality would probably require a pledge from Washington to recognize sovereignty agreements that had been reached, thereby disallowing China’s claims to anything beyond what they currently hold.

This is a bold course of action. China would certainly react negatively, but a response could be restrained if all other regional powers such as Japan, South Korea, Indonesia, India, and Australia also recognized these claims. A TTX report cannot fully develop a radical change of policy such as this, but it is a place to point out that current U.S. policy has not worked for decades. Recommending the reconsideration of policy alternatives is certainly justified.

**Recommendation**

3. The United States should consider the merits and risks of adopting a position on conflicting maritime claims in the South China Sea, persuade other countries to support this position, and develop diplomatic strategies as well as military contingency plans based on these positions.

In any case, the United States needs diplomatic and military planning that addresses potential Chinese attempts to seize currently unoccupied features in the South China Sea or features currently occupied by other countries. Currently, the Philippines occupies nine, Malaysia occupies five, and Vietnam occupies over twenty.
The current U.S. position of ambiguity undercuts deterrence. While U.S. treaty obligations and interests do not include automatic military defense of specific features, they do provide a basis for U.S. intervention under a range of circumstances.

- In the cases of features occupied by Malaysia and Vietnam, the U.S. is under no formal obligation to take actions. Its actions would be governed by the overall threat situation and the nature of the specific aggressive action.
- If China invaded a Philippine-held feature, the existing Mutual Defense Treaty (MDT) would seem to apply if in the course of this occupation the PLA forces shed Filipino blood, sank a government ship, or shot down a government aircraft.
- The Taiwan Relations Act (TRA) is not a guarantee that the United States would take military action in all cases of Chinese aggression against Taiwan. In the past, the United States has communicated the position that unprovoked attacks on Taiwan itself and the Penghu Islands would more likely trigger military intervention than on other, more distant Taiwan-occupied islands and features. As in the case of the Philippines however, even a limited security guarantee to Taiwan, depending on other circumstances, would make it more likely that the United States would intervene.

Recommendations

4. The United States should conduct a policy review of its responses to Chinese aggression against occupied or unoccupied features in the South China Sea. While the details of military actions should be classified, the United States should make it clear that treaty obligations would be invoked by aggression, and could under certain circumstances result in military intervention.

5. The United States should conduct a review of its position on the sovereignty over Scarborough Shoal and publicly announce that it recognizes the claim of the Philippines.

Participants witnessed Chinese aggression against Taiwanese administered territories.

During the exercise, the Taiwan Team expressed disappointment that the United States did not immediately support its plan to send amphibious forces to retake Taiping Island. On the other hand, unprecedented upgrades in diplomatic and military consultation and with Taiwan on the part of the United States, Japan and South Korea were very important for Taiwan’s long-term security.

Recommendation

6. Planning associated with U.S. military options in support of the TRA should recognize the requirement for a rapid expansion of consultative and cooperative mechanisms with Taipei. There has always been a moral hazard that expanded U.S.-Taiwan joint military planning would encourage provocations from China. Clear guidance about the importance of consultation, but the conditional nature of contingency plans, can provide the same benefits without incurring the hazard.
Participants identified the necessity for U.S.-Japan cooperation in Southeast Asia.

The TTX scenario focused on the South China Sea, and did not involve ASEAN collectively, or Southeast Asia nations individually, except for the Philippines. As a result, the wider Chinese campaign for greater power and authority in Southeast Asia was not fully explored during the exercise. However, the need for a broad understanding between Tokyo and Washington on strategic objectives in Southeast Asia was clear from the scenario. Japan has always been active in Southeast Asia with business involvement and economic assistance. The TTX demonstrated Japan’s greater willingness for involvement in security initiatives.

**Recommendation**

7. Japan and the United States should refresh a combined diplomatic, economic, and military strategy for Southeast Asia to counter Chinese influence and preserve an independent, prosperous, secure, and peaceful region.

**Concluding Judgement**

A single TTX cannot provide definitive conclusions, but the overall insight from Pacific Trident III is that the United States, its East Asian allies, and Taiwan have the capacity to deal with aggressive Chinese challenges throughout the region as long as U.S. policy remains flexible.
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Introduction

This was the fourth tabletop exercise (TTX) organized and executed by Sasakawa Peace Foundation USA in order to explore challenges to the U.S.-Japan Alliance in the Indo-Pacific. Beijing served as the primary challenger to both the U.S.-Japan and U.S.-South Korea Alliances in this scenario, with Pyongyang acting as a willing “co-conspirator.” Beijing’s objectives were to undermine confidence in the U.S. security guarantee among its allies in East Asia and to achieve further territorial gains in the South China Sea. The strategy was to make multiple challenges across the region without provoking conflict. The simulated date at the start of play was August 1, 2020 with the end date as October 2, 2020—just weeks away from the U.S. Presidential Election.

This TTX was conducted from February 4-6, 2020 at the Lockheed Martin Center for Innovation in Suffolk, Virginia. Known as the “Lighthouse,” this was the third time the expert staff and sophisticated facility were made available for an SPFUSA TTX. As before, the combination of an experienced “war gaming” support staff and state-of-the-art collaborative technology resulted in the successful completion of a very complex TTX. It involved five separate country teams from the United States, Japan, South Korea, China, and Taiwan, with U.S. experts playing China. The TTX also included a White Cell of U.S. subject matter experts who oversaw gameplay and played the roles of Russia, North Korea, and various Southeast Asian countries.
Secret Chinese Strategy and China-North Korea Collusion

The following pre-game moves were conducted between the White Cell and the China Team. These moves set China’s strategy which played out over the course of the game.

In December 2019, motivated by a combination of impatience with China’s progress in achieving greater influence and authority in East Asia, and the expectation of U.S. distraction with its election in 2020, President Xi decided to challenge the U.S. alliance system in East Asia. He issued the following guidance to the Central Military Commission and Foreign Affairs Leading Group:

- Demonstrate military superiority in East Asia
- Weaken U.S. alliances and relationships
- Make additional territorial gains in the South China Sea
- Avoid war with the United States.

In March 2020, China secretly negotiated with North Korea and created an agreement with the following provisions:

- North Korea will resume missile and nuclear testing.
- North Korea will make a military provocation against U.S. forces on the Korean Peninsula.
- China will provide economic assistance and security support including troops if necessary, and diplomatic cover in United Nations.
- In the event that the United States threatens North Korea, China will warn the United States that the independence of North Korea is a matter of grave concern to China.
- In the event of sustained U.S. air and missile attacks against North Korea, China will offer to deploy advanced air defense systems on the Korean Peninsula.
- In the event of U.S. deployment of additional heavy ground forces to South Korea, China will deploy numerous units of the People’s Liberation Army (PLA) to the Northern Military District boundary close to North Korea and will consult with North Korea about deploying them on the Korean Peninsula as a deterrent measure.
- North Korea invites China to develop a “naval support center” at the Rajin Port in North Korea, as well as completing the long-delayed construction of three commercial wharves, which China will operate under a 50-year lease. Chinese construction began in Rajin in April and is anticipated to finish by September.
Was this strategy realistic?

Several game players considered this aggressive approach by China and the secret agreement with North Korea to be unrealistic. Others thought that the approach, while unlikely, was not impossible to imagine. During the course of the game, some of the country teams suspected China-North Korean cooperation on specific actions, but none guessed that a secret agreement existed. For most game players, the North Korean actions were surprising, but the long history of North Korean provocations had prepared them to react quickly. However, because of China’s recent history of more deliberate geopolitical moves, the other players initially underestimated the determination of China to challenge the U.S. alliance system. The underestimation of Chinese aggressiveness and China’s willingness to take risks detracted from the effectiveness of early U.S. responses and those of their allies.

Scene Setter: Background Information

To bridge the gap between the actual game date in February 2020 and the August 1, 2020 opening move, the following sequence of events was provided to all game participants.

Note: This exercise took place in February 2020 before the widespread outbreak of the Novel Coronavirus. Its diplomatic, economic, and national security effects were not included in the TTX scenario or its scene setter.

United States

In March, Iran fired missiles at U.S. Navy ships transiting the Strait of Hormuz. The U.S. ships defended themselves successfully and there were no hits. A week later, U.S. Tomahawk missiles struck several Iranian military bases along the strait. In June, Iranian-linked militia attacked a U.S. ground convoy near Baghdad, killing one soldier and wounding several others. The United States responded with a series of drone attacks on Iranian trucks crossing the Iran-Iraq border which were loaded with military equipment for Iranian-linked militias.

Negotiations between China and the U.S. continued throughout this period on a Phase 2 trade deal without result. Tariffs remain on a range of imports from China. The upcoming election is consuming the political energies of the President, as well as Republican and Democratic lawmakers. President Trump has renewed his rhetoric about “free-loading allies.” Host-nation agreements with Japan and South Korea, are both set to expire in 2020 and have become favorite targets of the President at his campaign rallies and on his Twitter feed. Negotiations with the governments of Japan and South Korea have not yet produced renewed agreements.
China

In March, Beijing dispatched its first carrier strike group on a show-the-flag deployment throughout the Indo-Pacific. Its policies and actions combined encouraging diplomatic and economic cooperation, with sharp and aggressive military initiatives. President Xi’s more assertive foreign policy is popular with the Chinese people, who broadly support the notion that China - not the United States - should be the guarantor and arbiter of peace in Asia.

China’s economic, demographic, and environmental challenges continue to be daunting. The measures it has taken to bolster the economy have not been effective, and the official GDP growth rate for the second quarter of 2020 was 5.9%, the lowest in recent years. Foreign direct investment in China continued to drop, and President Xi’s handling of the economy has received quiet but persistent criticism within China.

In conjunction with its carrier battlegroup deployment, China’s Ministry of National Defense announced an enhanced PLA naval presence in the vicinity of the Malacca Strait to ensure the smooth flow of shipping in support of the global community and regional trade. These actions intensified the criticism China received in foreign press.

On May 1, 2020 at the 36th ASEAN Summit in Hanoi, Chinese Premier Li Keqiang called for an accelerated pace to resolve remaining disputes and settle on a Code of Conduct in the South China Sea. Li’s calls for monthly discussions, with all elements of previous proposals on the table, surprised and delighted ASEAN leaders.

On July 4, 2020, Beijing announced a partnership with the International Union for the Conservation of Nature (IUCN) to develop the Dongsha (Pratas) Islands in the northeastern portion of the South China Sea into a nature conservancy under supervision of the Hainan government. However, this island remains under occupation and administration by Taiwan and Taipei was not consulted for the creation of this partnership.
Japan

In Japan, Prime Minister Abe continues to enjoy a consistent level of support from the Japanese public, but his efforts to revise Japan's constitution have stalled. His efforts to forge tighter bilateral and multilateral relationships in East Asia have been generally popular in Japan but have not led to a significant change in the status quo.

President Xi’s state visit in June was widely regarded as successful but produced no major breakthroughs in the issues between the two countries. Several agreements were signed, mostly to promote economic cooperation, and increase public diplomacy programming.

Japan’s leaders continue to describe the security environment as “severe.”

The Tokyo Olympic Games take place 24 July-9 August 2020.

Republic of Korea

In South Korea, President Moon Jae-in has continued the suspension of his country's withdrawal from the GSOMIA agreement, but South Korea's relationship with Japan remains troubled.

In the April 15 Parliamentary Elections, the ruling Democratic Party lost a significant number of seats, further weakening President Moon’s ability to push through his initiatives, including his desire to engage directly with North Korea.

President Moon remains determined to improve relations with North Korea through diplomatic and private contacts. He also seeks to offer economic assistance and integration, while maintaining the Alliance with the United States for security purposes.

Taiwan

On January 11, Tsai Ing-wen won re-election by a massive margin for her second term as President of Taiwan despite Chinese attempts to use the internet and social media to discredit her campaign. Cross-strait relations remain dormant as Beijing continues its military intimidation activities and works to enhance Taipei’s diplomatic isolation. In short, Beijing's pre-election strategy proceeds apace, as does the Trump Administration's willingness to foster a closer political and security relationship with Taipei, much to the irritation of China.
North Korea

On March 10, Kim Jong Un made a surprise visit to Beijing to meet with President Xi. The two leaders issued a statement at the end of the visit with the following key points, which strongly suggested a major upgrade of the Beijing-Pyongyang relationship:

- As agreed in the 2014 CICA meeting, it is for the people of Asia to run the affairs of Asia, solve the problems of Asia, and uphold the security of Asia.
- China and North Korea support peace and stability on the Korean Peninsula. Peace and stability are not enhanced by Cold War alliances that involve outside countries in Asian affairs.
- Strong military capabilities, of both China and North Korea, are essential to maintain peace, security, and stability. The purpose of the military forces of both countries is entirely defensive.
- Both countries support the elimination of all nuclear weapons on the Korean Peninsula as part of a comprehensive agreement that removes all foreign military forces.
- They condemn continued U.S. military deployments on and around the Korean Peninsula against the will of all Korean people. China supports North Korea’s right to defend itself against U.S. aggression. China supports the development and testing of North Korea’s defensive missile capabilities.
- While observing United Nations resolutions concerning sanctions, China will continue to support the economic development of North Korea with a focus on improvements in the nutrition of the long-suffering Korean people, improvements to North Korea’s transportation infrastructure, and greater access to technical assistance that will modernize the civilian economy in North Korea.
- China invites all other countries, especially South Korea, to join in this effort to relieve the suffering and improve the lives of the North Korean people.
- China removes existing restrictions on tourism and North Korea welcomes Chinese tourists to visit its scenic sites.

This public set of agreements between China and North Korea was paralleled by the secret agreement described previously, in which North Korea agreed to take a number of specific provocative actions against the United States and its allies in return for specific promises of Chinese diplomatic, economic, and military support.
Beginning in April, media outlets in South Korea reported that Chinese economic assistance to North Korea had increased. China was shipping significant quantities of rice to North Korea, and the price of rice in private markets had stabilized. In addition, Chinese materials and supervisors were working with North Korean labor forces on road, railroad, and other transportation infrastructure projects in North Korea. In reply to questions, the Chinese government said that it was taking no actions that were not consistent with United Nations sanctions.

Later in March, North Korea announced that it had lost patience with the United States and resumed a missile testing schedule that supported the development and deployment of new classes of missiles. Highlights included:

- In April, an intermediate-range missile was launched with a flight trajectory over Japan.
- In May, a large missile that North Korea announced as a Space Launch Vehicle, demonstrated improved engines and high-energy fuel that could also be used as an ICBM.

In May, there were articles in major U.S. media outlets which reported that North Korea had deployed an operational squadron of the Hwasong-15 road-mobile ICBM. According to the stories, which were not denied by U.S. government sources, transporter erector launchers (TELs) had been detected moving around North Korea. Experts pointed out that the nuclear warheads for these missile were probably stored separately from the TELs, and that because it was a liquid-fueled missile, it would take advance planning and several days to set up for a launch.

After the April launch, the United States introduced a resolution to the United Nations Security Council to tighten economic sanctions further on North Korea but was stymied by both China and Russia. These countries declared that the hostile approach of the United States was not working, and while sanctions could remain on military equipment and nuclear components, it was time to provide economic development assistance to North Korea. International opinion was divided, but China and Russia received substantial support for their position.

The night of July 31, both U.S. and South Korean media reported on what appeared to have been an attack by North Korean special forces against the U.S.-Korean joint air base at Kunsan, in the southwest of the Peninsula.
Move One
1 August to 17 August

The following describes the situation on August 1, 2020 as the TTX started

The TTX teams faced two nearly simultaneous crises at the beginning of the exercise.

The first was the North Korean attack on Kunsan

- A North Korean special forces team, apparently delivered by raiding craft from a submarine, landed on the coast, entered the base, and was challenged by U.S. security forces on the U.S. side of the airfield. The North Koreans fired RPG weapons at U.S. aircraft parked on taxiways, heavily damaging an F-35. The attacking team withdrew after a firefight, leaving two dead behind.
- South Korean security forces responded when notified by the United States, but the rest of the attacking team was able to escape and apparently reached a North Korean submarine that took them aboard.

The second crisis was related to Typhoon Fausto in the South China Sea

- After devastating Luzon in the northern Philippines on July 30 it continued west over the South China Sea veering unexpectedly southwest over the Spratly Islands. The largest “naturally formed” feature in the region, Taiping Island (Itu Aba) was hit especially hard. This island is claimed and has been continuously garrisoned by Taiwan since 1956. Fausto then passed over Subi Reef, only 42 miles away, one of China’s large artificially created bases in the South China Sea. The small garrison of around 100 Taiwanese civilians on Taiping were in desperate need of assistance.
- Fausto provided Beijing’s Central Military Commission with a pretext to execute a previously approved plan to “reclaim” Taiping Island from Taiwan peacefully. A combined China Coast Guard (CCG)/People’s Armed Police (PAP) task force arrived and offloaded 300 policemen with relief supplies for the Taiwanese garrison. The police force closed the C-130 capable airfield to all except Chinese aircraft, and announced the mission was purely humanitarian to assist Taiwanese compatriots in distress. The Taiwanese detachment on the island retreated to the base headquarters building, where they established defensive positions while awaiting further orders.
The Korean Peninsula

Actions by Seoul

Initially, Seoul had a number of questions. The South Korean Team simply did not expect such an action. Is it certain that it was the North Koreans who conducted the provocation? Could it be any other actors? What is the purpose of the attack? Significantly, Seoul immediately considered the possibility of Chinese involvement and discussed internally the possibility that events in Korea and the South China Sea were deliberately coordinated by Beijing. However, this important possibility was not pursued in discussions with other teams, which did not develop the same suspicions.

Almost immediately, it became clear to Washington and Seoul that it was indeed a North Korean attack. Even though Pyongyang’s motivation was not clear, and it did not make sense to Seoul, it was understood that the North Koreans had committed a very serious provocation that called for a response in accordance with its “proactive deterrence” strategy. The South Korean Team planned a ten ballistic missile attack on the North Korean West Sea Fleet base of Sagot (Sagon-Ni).

South Korea’s Proactive Deterrence

This concept became part of South Korean defense doctrine in late 2010 following the North Korean artillery attack on Yeonpyeongdo Island. It calls for South Korea’s response to future North Korean military provocations to be more severe than the provocation itself. The doctrine has not been tested to date, as North Korea shifted its provocative actions to missile and nuclear tests.

Meanwhile Seoul took the sensible steps of improving readiness posture, calling for an official meeting with Washington, reassuring its public, and indicating it was willing to meet with North Korea to discuss the de-escalation of tensions.
Actions by Washington

Washington had signed on to this “proactive deterrence” strategy and was already worried about the military provocations from North Korea since the March Xi-Kim summit. However, the United States convinced Seoul not to launch its missile barrage and eventually to limit its response to a single missile launch into North Korea waters off its east coast.

U.S. intelligence also discovered that a large number of North Korea submarines were missing from port and informed both Seoul and Tokyo. The United States, South Korea, and Japan all deployed their own anti-submarine forces to find and track the North Korean boats, which eventually returned to port without incident.

Washington swung into diplomatic action: it delivered a demarche to China demanding it play a more constructive role in restraining North Korea. Importantly, and even without suspecting the existence of the March secret agreement between China and North Korea, but based on the public joint statement, it made clear that it held China partially responsible for what happened.

In Korea, the Commander of U.S. Forces Korea immediately moved to improve readiness of U.S. troops and engaged in constant contact with South Korean military counterparts. At Camp Smith in Hawaii and at the Pentagon in Washington, forces were readied and ships deployed because of the apparent simultaneity of the Kunsan Incident, China’s destabilizing activity in the South China Sea and the need for a Humanitarian Assistance and Disaster Relief (HA/DR) response to the Philippines and to the Taiwanese-administered Taiping Island. Initially, it was not entirely clear to U.S. authorities that the Chinese PAP were already in complete control of Taiping.
During move one, the United States eventually put two carrier battle groups to sea (the Ronald Regan group from Yokosuka, and the Theodore Roosevelt group, headed for Japan from San Diego). INDOPACOM also sailed the forward-deployed U.S. Navy amphibious readiness group (ARG) from Sasebo, Japan to Okinawa where a USMC Marine Expeditionary Unite (MEU) embarked and then deployed to the South China Sea. U.S. attack submarine presence in WESTPAC was augmented from Guam and Hawaii. U.S. military planning for contingencies in both the Korean Peninsula and the South China Sea was extensive, as the United States made intense and continuous diplomatic approaches to China.

Actions by Tokyo

Tokyo was also quick to respond to the simultaneous crises presented at the beginning of the exercise. It convened its National Security Council and made clear from the outset what Japanese interests and intentions were:

- Avoid uncontrolled escalation of the situation on the Korean Peninsula
- Show unity among Japan, the United States, and South Korea
- Secure domestic stability and limit effects on the Tokyo Olympics
- Maintain vigilance over the Senkaku Islands and Taiwan Strait
- Defend the Senkaku Islands, if necessary

Japan took action to improve its information gathering abilities and it began the deployment naval anti-submarine warfare forces to the Sea of Japan in response to the North Korean submarine deployments. Publicly, Japan condemned North Korean provocations. Privately, the Japan Team took the unprecedented step of suggesting to the U.S. Team that the Alliance Coordination Mechanism be expanded to include South Korea, thereby establishing a trilateral coordination link that was sustained throughout the evolving security situation. This was a crucial step in what turned out to be smooth, trilateral military coordination to address both the North Korean situation as well as events in the South China Sea. It was also an important step forward, as it involved South Korea in maritime security issues in Southeast Asia for the first time.
Actions by Beijing

Having secretly instigated the Kunsan Incident, China publicly called for all sides to exercise restraint and avoid escalating tensions on the Korean Peninsula. It called for a multi-national investigation of the incident, indicating a willingness to participate. Despite the obvious evidence of North Korean responsibility, China urged South Korean and Japanese media not to jump to conclusions. Meanwhile, it quietly reinforced the PAP presence on the Sino-Korean border.

Beijing also called upon Washington to respect vital Chinese national interests in the Yellow Sea, while directing Northern Theater Command to increase naval patrol activity west of the center line of the Yellow Sea. By remaining on the western side of the Yellow Sea, China intended to make an important positive signal to South Korea. Later in the move, China prepared advanced air defense system units for deployment to the North Korean frontier, where the system’s long-range capabilities can cover much of North Korean airspace as well as defend China’s own airspace.

China concluded the first move by announcing that the construction of the joint base at Raijin Port on the eastern coast of North Korea had been completed early. Subsequently, China announced that it intended to dispatch a four ship naval task group to the port to participate in the official opening of the “naval support center” that would provide, for the first time, a permanent Chinese naval presence on the Sea of Japan littoral. Coming in the midst of all the other activity, this passed with little comment from either Tokyo or Washington. Interestingly, Russia was also silent. Raijin is only a little over 100 miles away from Vladivostok.
Actions by Washington

Once Washington became aware that China had actually occupied Taiping Island, its focus for the rest of the TTX was to remove the PAP from the island peacefully. As described earlier, INDOPACOM deployed a strong maritime and air force presence to the region and began to develop military contingency plans. However, Washington primarily focused on diplomatic initiatives for much of this move.

Beijing stubbornly insisted that its presence on Taiping was an HA/DR response to help Taiwanese compatriots. Washington developed a major diplomatic effort to organize a multi-national HA/DR response for both Taiping Island and the Philippines which were heavily damaged by the typhoon. Washington believed that Beijing would withdraw its forces from Taiping in favor of multilateral assistance. The U.S. Team pursued this approach over the course of two more moves. Beijing did not budge. It had no intention of allowing Taiwan to regain control and assessed that the United States would not risk military conflict to remove its forces. Publicly, Beijing stated that Taiping is Chinese territory and as the “legal” successor state to the Republic of China (ROC), the People’s Republic of China had every right to be there.

The broader HA/DR effort which primarily focused on the main islands of the Philippines, also led to rivalries and competition. Predictably, “multi-lateralizing” the initiative created a squabble over who should be in charge. It was eventually resolved when all parties agreed to allow the United Nations to take on a leadership role, while Washington and Manila agreed to a bilateral response that addressed the human misery and physical damage that Fausto caused to Luzon.

Actions by Taipei

Taiwan surprised Beijing when it announced it intended to defend sovereign Taiwanese territory and send a sizable body of Taiwanese Marines to reinforce its garrison and if necessary, eject China’s PAP and Coast Guard forces. This show of strength caught Beijing off guard and raised concerns in Washington that it could be drawn into a fight with China over a small and contested feature in the South China Sea.

Taipei requested Intelligence, Surveillance, and Reconnaissance (ISR) and naval support from Washington. Washington countered by urging Taipei to postpone military action while it focused on diplomatic efforts to persuade Beijing to leave. Taipei doubted, as it turned out correctly, that China would agree to leave. However, the Taiwan Team acquiesced since without the requested U.S. military support, it believed it could not conduct a successful operation.
Actions by Beijing

At the beginning of the move, Beijing announced it was leading a regional response to extensive typhoon damage suffered throughout the South China Sea by assembling a Coast Guard Task Group to aid to all of the 42 occupied features in the Spratly Islands. This announcement alarmed Malaysia, Vietnam, and the Philippines.

Beijing also announced the dispatch of the Chinese hospital ship — *Peace Ark* — to Manila to render support in cooperation with the government of the Philippines to storm-damaged areas on Luzon.

To counter Taiwan’s plans to retake Taiping, China decided to send a battalion of paratroopers to reinforce the lightly armed PAP presence. When it learned that Taipei had paused its military expedition, the paratroopers were diverted en route to the large and modern base on nearby (42 miles away) Subi Reef.
At about the same time, in order to continue its goal of stressing the U.S. and its allies across the Indo-Pacific, China sent a very large East China Sea fishing fleet to the Senkaku Islands. The plan was to send over 200 boats into the Senkaku contiguous zone (the area between 12 to 24 nm from each feature) where they were to fish and otherwise annoy the patrolling Japanese Coast Guard units. Japan handled this intrusion quite well without any U.S. assistance beyond ISR support. Beijing withdrew the fishing fleet following the increased presence of the Japanese Coast Guard and the arrest of several Chinese fishermen.

**Actions by Tokyo**

The Abe government quickly released a strong statement on Taiping that rejected Beijing’s unilateral attempt to change the status quo and called for China to withdraw from the island. Japan stated that China’s HA/DR plans for the South China Sea needed to be executed on a multilateral basis. The statement was preceded by a private demarche along the same lines to Beijing.

Tokyo also called for Southeast Asian nations to condemn Chinese attempts to forcefully change the status quo.

Closer to home, Tokyo also increased its Coast Guard presence around the Senkaku Islands and asked the United States for additional ISR support in that portion of the East China Sea.
Move Two
18 August to 2 September

The Korean Peninsula

At the beginning of move two, China invited Seoul and Pyongyang to Beijing to discuss reducing tensions on the Korean Peninsula. Washington advised Seoul against acceptance, and Seoul declined the invitation. Back channel inter-Korean contacts resulted in an agreement for the two Korea’s to meet in Ulaanbaatar, Mongolia. This development surprised both the Chinese and the U.S., but the meeting nonetheless went forward.

In order to gain leverage with Seoul, Beijing began the process of renormalizing trade relationships with South Korea and lifting other unofficial economic punitive measures China had adopted in the wake of the THAAD deployment in 2017.

While North Korea agreed to the meeting in Mongolia, it also raised the readiness levels of its forces. South Korea’s armed forces, in reaction, called up reserves to fill out its active duty force units. The United States also began to enhance its posture on the Korean Peninsula by executing several of its Flexible Deterrent Options (FDOs), all designed to improve defensive readiness. It also initiated its crisis management system with South Korea.

To the surprise of South Korea, Washington jumped the gun by publicly announcing voluntary civilian departures for U.S. government dependents and non-essential civil servants. This greatly upset the South Korean government because of the signal it sent to the Korean populace, increasing the possibility of civil panic and anti-war disturbances. This sequence was probably a game artificiality, as it turned out that the U.S. Embassy had misunderstood South Korean reserve call-ups for full mobilization.

The move concluded when South Korea debriefed China, the United States, and Japan on the results of the bilateral negotiations in Mongolia. No agreements had been made, but both sides did agree to meet again promptly after consultations with their home governments. Unsurprisingly, North Korea was focused on sanctions relief and was uninterested in any discussion regarding nuclear weapons and/or missile testing before movement was made on sanctions. The North Korea Team was quite pleased that both Russia and China had managed to easily forestall any further U.S.-sponsored United Nations coercive sanctions in response to the Kunsan Incident.
The South China Sea

China opened the move with a message to President Trump reiterating that China’s deployed personnel on Taiping were there for humanitarian purposes only. China emphasized that it had no combat forces on the island and that intelligence indicated that Taipei was preparing a military invasion of Taiping. Beijing informed President Trump that it would respond to any hostile action by Taiwan. In a surprising departure from its normal objection to official contacts between Washington and Taipei, Beijing urged U.S. intervention with Taipei to prevent an HA/DR operation from turning into an armed conflict.

Beijing also deployed a very capable six-ship task force that included a large amphibious ship with 1200 marines embarked. It assumed a holding position within a few hours steaming distance from Taiping. At the same time, 500 paratroopers who had earlier arrived at Subi Reef remained on alert along with the associated airlift.

At this point, even without direct knowledge of President Xi’s December 2019 directive, it was becoming clear to the other teams that China’s overall strategy was focused on degrading the U.S. position in East Asia and increasing its own authority and influence. It included the following objectives:

- Provoking and eroding the U.S. system of alliances by ambiguous aggression against legally weak points
- Maintaining confusion and tension to keep the U.S. and its allies unclear about Chinese intentions while avoiding conflict with the U.S.
- Calling into question U.S. reliability
- Demonstrating Beijing’s capacity as a provider of public goods and leadership across the region

Washington fundamentally understood the Chinese strategy and was very proactive in its efforts to assure its allies and partners in the region that it was not going to start a war with either North Korea or China, and would do its best to peacefully
roll back China’s occupation of Taiping. It also wanted to prevent North Korea and Beijing from taking additional provocative actions that would drive wedges between Washington and its allies.

To provide military support to its diplomatic approach, the United States kept a two-aircraft carrier force underway in the Philippine Sea, deployed additional submarines to the Western Pacific, and deployed additional advanced U.S. Air Force fighters to the region. With Iran remaining a problem in the Middle East, the United States did face some constraints on the forces that could be surged to the Western Pacific. Diplomatically, both the Secretary of State and the Secretary of Defense went on the road, making the rounds to allied capitals. The Deputy Secretary of State visited Beijing in the hopes of convincing China to depart from Taiping.
The United States also thought it was important to reassure Taipei, both for its own sake and as a signal of resolve to other allies in the region that it would not be abandoned. The J-5 from Indo-Pacific Command travelled to Taipei for strategic planning sessions. She tabled the idea of a multi-ship transit of the Taiwan Strait that would include a Taiwanese destroyer, and potentially destroyers from Japan and South Korea. Tokyo agreed to participate. Surprisingly, so did Seoul. South Korea has traditionally avoided any involvement in the dispute between China and Taiwan, strictly hewing to its “One China” policy pledge to Beijing. However, in this instance South Korea believed that it was important not to refuse a U.S. request during a time of confrontation with China.

The four-destroyer transit was duly executed, eliciting an almost proforma response from Beijing. “China reiterates that freedom of navigation is not an issue in relation to the Taiwan Strait. But this transit does violate the three Joint Communiques between the United States and China and hurts the feelings of the Chinese people. By jointly executing the naval transit with Taiwan, the United States is gravely emboldening the Taiwanese authority at this turbulent time. We strongly discourage the United States, Japan and South Korea from such destabilizing actions.” Beijing’s low-key response was especially surprising since the U.S. Navy was operating, albeit at a very basic level, with the Taiwanese Navy for the first time since January 1980, but also because Japan and South Korea had joined the operation.

Meanwhile, the United States also successfully executed a small-team covert reconnaissance mission of Taiping. The SEAL team determined that Chinese forces were established on Taiping, that China’s lightly armed PAP forces had been augmented with approximately a battalion of marines from the amphibious task force that had been deployed earlier and that any Taiwanese attempt to retake the island would be difficult.
Move Three
3 September to 20 September

This move began with a United Nations General Assembly (UNGA) Session in which all the teams who were United Nations member-states made presentations.

Highlights of the presentations included:

**China:** Non-regional nations do not fully understand the region. China is a “natural first responder.” China is working hard to conclude a Code of Conduct in the South China Sea. China emphasizes cooperation, common good, while not mentioning its military moves.

**Japan:** Japan holds North Korea responsible for the Kunsan Incident. It is important to strengthen economic sanctions on North Korea. Japan recommends a new Security Council resolution that increases sanctions against North Korea to a total embargo. Dialogue with North Korea can resume after a strong set of sanctions are in place.

**United States:** The United States condemns the unprovoked, dangerous, reckless attack at Kunsan. It condemns the cynical use of what should be a humanitarian response to a natural disaster as cover for trying to change the status quo in the region. The United States calls for the rule of law; free and open commerce; resolving conflicts peacefully. China is asserting the principle of ‘might makes right.’

**South Korea:** There is clear evidence that North Korea conducted the Kunsan raid. North Korea is trying to deny the undeniable. South Korea asks the P-5 to support North-South talks by pressuring North Korea. It calls for strengthened sanctions on North Korea, but with flexibility to adjust the sanctions depending on North Korea’s future actions.

**Taiwan:** Taiwan unsuccessfully sought to address the UNGA. It argued it had a moral right to address its views on acts of aggression being perpetrated against it.
As the crisis continued, trilateral coordination became routine and ran smoothly. A strong habit of cooperation was being established between the military headquarters of the United States, Japan and South Korea. This cooperation on important, common national security challenges helped to overcome a couple of minor incidents involving Korean and Japanese fishermen that, under other circumstances, could easily have become major political incidents. North Korea proved once again it had the unique ability to engender Japanese and South Korean security cooperation.

All the forces in Korea, on both sides of the DMZ, remained on high alert, and as promised in its secret agreement with Pyongyang, China moved batteries of its most modern surface-to-air missile systems (Russian built S-400 systems) to its border with North Korea in order to enhance North Korean air defense.

As time wore on, the inter-Korean negotiations appeared to be the most promising way to achieve a breakthrough. While Beijing certainly did not want a war on its border, it did want U.S. attention focused on Northeast Asia, diverting forces and attention from the South China Sea, where it could make territorial gains.

At this point, Beijing decided to reach out to Russia for assistance. First, Putin and Xi held a meeting in Vladivostok to review the progress of their strategic partnership and discuss global issues of common concern. At the close of the summit, they issued a joint communique in which China acknowledged Russia’s historic interest in and current sovereignty over Crimea and Russia acknowledged China’s historic interest in and effective sovereignty over South China Sea land features and their associated waters.

They also issued a joint statement regarding the situation on the Korean Peninsula:

“Sanctions against North Korea have been ineffective and have secured neither peace nor prosperity for the North Korean people. While we remain committed to the denuclearization of the Korean Peninsula, the focus of our joint policy moving forward remains the prosperity of the Korean people and positive engagement. It is our sense that further sanctions will not be productive. We look forward to working with many partners on this path.”

Finally, a presidential campaign-inspired tweet from the White House complaining about Seoul not paying enough host-nation support (the Special Measures Agreement or SMA) unsettled the Blue House, perhaps lessening President Moon’s inclination to accept U.S. advice in his negotiations with Pyongyang.
Rather than being deterred by U.S. shows of force, Beijing was angered by Washington’s encouragement of what it saw as separatist political trends in Taiwan. It decided to double down to clearly signal to the United States and its regional allies that they were threatening China’s vital core national interests. It emphasized the point by delivering a demarche to Washington, Seoul, and Tokyo accusing them of collectively ‘lighting the fuse of war.’

China’s Central Military Commission instructed its Eastern Theater Command to execute the first phase of its plan to subdue Taiwan. This phase involved a major large-scale amphibious exercise in Fujian Province (across the strait from Taiwan) which was intended both to demonstrate its determination and mask preparations for an attack across the strait.

China also sent a dozen submarines to the Philippine Sea, where the U.S. carrier forces were operating, and added six more deployed submarines to both the East and South China Sea. It had earlier landed 500 Marines on Taiping from its nearby amphibious task group. At the same time, U.S. intelligence learned that China had also put the PLA Rocket Force (PLARF) on alert. Beijing quietly informed Washington that this change in readiness should not be interpreted as an escalation, as opposed to a prudent improvement in Rocket Force regional conventional force posture.

PLA Rocket Force Nuclear/Conventional Ambiguity

The PLARF commands both China’s conventional and nuclear ballistic missile force, as well long-range land-based cruise missiles. This TTX generated issue highlights a potential real-world concern created by the PLARF command and control arrangement. By taking what it considers to be prudent non-nuclear defensive measures, China may raise nuclear escalation concerns in the United States.

Significantly, once Japan learned of the landing of Chinese marines on Taiping it informed Washington that it was ready join whatever action the United States elected to take in the South China Sea and wanted to be closely involved in the planning process.

In a major escalation of its activities in the South China Sea, China also sent forces to seize the Dongsha (Pratas) Islands, three strategically located atolls with a small airfield located 200 nm west of the Luzon Strait. The PLA quickly accomplished this mission without bloodshed. Dongsha has been occupied by Taiwan since the 1950’s and unlike other small land features in the South China Sea, it is claimed only by China and Taiwan. In another move directed at a vulnerable Taiwanese-held island, Beijing cut the water supply to two small Taiwan-occupied island groups very close to the Chinese mainland, Kinmen and Mazu.

It was now obvious to Southeast Asian stakeholders in the South China Sea that China’s previous statements favoring a Code of Conduct for the South China Sea were false, and that it was taking aggressive actions to change the status quo by force.
Scarborough Shoal Background

Following a confrontation between China and the Philippines regarding fishing rights around Scarborough Shoal in 2012, China established a patrol around the atoll, and kept Philippine fisherman away. In 2016, Scarborough Shoal remerged as an issue of serious concern. According to articles in the Washington Free Beacon, the United States learned that China was about to turn Scarborough into another artificial island, similar to those further south. This would have created an island base like Subi, Mischief, or Fiery Cross in the Spratly Islands with a fighter jet capable airfield, long-range radar surveillance that would fill "the gap" in complete air and surveillance coverage of the South China Sea. Scarborough Shoal is also only 125 nm west of central Luzon, well inside the Philippine EEZ.

The Obama administration reacted with a “full-court” press aimed to dissuade Beijing from occupying and developing the Scarborough Shoal.

The U.S. response included beginning the rotational deployment of a small task force of U.S. Air Force tactical aircraft to the Philippines, the presence and operations of the USS John Stennis battle group in the South China Sea for over 60 days in the spring of 2016, along with many high level public statements, the most dramatic of which came from the Secretary of Defense in testimony before the Senate Armed Services committee. Secretary Carter was quoted as saying that Scarborough Shoal is "a piece of disputed territory that, like other disputes in that region, has the potential to lead to military conflict...That's particularly concerning to us, given its proximity to the Philippines."

In essence, the flurry of activity regarding Scarborough in March, April, and May of 2016 was meant to send a clear signal to China that the United States considered Scarborough more strategically important to Washington than the Paracel Islands and Spratly Islands. According to a New York Times report, President Obama brought up Scarborough Shoal to President Xi Jinping during their meeting on the sidelines of the Nuclear Security Summit:

The stakes are so high that Mr. Obama warned the Chinese leader, Xi Jinping, during their recent meeting in Washington, not to move on the Scarborough Shoal or invoke an air defense zone, said a U.S. official who was briefed on the details of the encounter and spoke anonymously because of the diplomatic sensitivities.

Although official U.S. policy is to take no position on the merits of disputed sovereignty claims to features in the South China Sea, Washington made it clear that in the case of Scarborough Shoal the United States would not stand for an attempt to create another artificial island military base on the shoal.

Beijing readied a force of construction barges and dredgers for deployment to Scarborough Shoal, a main objective the secret Xi December 2019 directive to the CMC.
Washington reacted by taking steps they judged would increase pressure on Beijing. First, south of Taiping Island, the United States sent forces to Second Thomas Shoal where since 1999, a handful of Philippines marines have been stationed on a wrecked hulk grounded on the shoal to forestall an attempt by China to replicate its seizure of Mischief Reef in the mid-1990’s. The U.S. action amounted to de facto recognition of Philippine sovereignty over Second Thomas, which rests on Manila’s continental shelf, making another exception to the decades-old policy of taking no position on disputed sovereignty claims in the South China Sea. Manila was pleased since this implicit recognition also suggested that the U.S.-Philippine Mutual Defense Treaty would now cover Second Thomas, and perhaps more of Manila’s expansive Spratly Islands claims.

### Second Thomas Shoal

While important in diplomatic and policy terms, any U.S. military reinforcement of Second Thomas Shoal is severely limited by the nature of the feature. Under UNCLOS definitions, Second Thomas is a low tide elevation, which means it is completely underwater part of the time. The only place where U.S. forces could remain full time, would be to share space on the rusting hulk of a WW II era LST along with around a dozen Philippine marines. The primary military confrontations around Second Thomas Shoal have been caused by moving people and supplies on and off the feature.

Meanwhile, Washington was looking for other features beyond Second Thomas where U.S. Marines could land. Possible features included the Philippine-occupied feature of Thitu which contains a concrete C-130 capable airstrip, and West York Island which has no airfield. These are the second and third largest naturally formed above water features in the entire Spratly Island chain after Taiping. The U.S. objective was both to deter further Chinese moves on other Spratly features and to establish bargaining chips for the negotiation of mutual withdrawals with China.
Move Four
21 September to 2 October

The Korean Peninsula

A breakthrough in the North-South discussion resulted in a six-point agreement between South Korea and North Korea. South Korea kept the United States fully informed during the negotiations, and the United States pledged support for several key provisions.

1. North Korea issues a statement of regret (not an apology) about the Kunsan Incident.
2. North Korea will return mobile missile launchers back into tunnels and agrees to make no other escalatory moves.
4. North Korea reinstates the moratorium on long-range missile launches and nuclear tests.
5. The Kaesong Industrial Complex reopens under an exemption to the UNSC sanctions.
6. There will be reunions of separated families in time for Chuseok.¹

Pyongyang did not consult with China during the negotiations. China’s belated attempts to assume a role were rebuffed by North Korea. China itself, North and South Korea, and the United States all considered the agreement a setback for China.

Japan and North Korea saw this deal as a clear win for North Korea. It gave up nothing except a halfhearted apology and pledges that could be easily reversed in return for the effective end of the sanctions regime. They inferred that Washington prioritized the South China Sea over the Korean Peninsula. This was an incorrect interpretation. The Trump administration’s highest priority was a return to denuclearization talks and the moratorium on nuclear and ICBM testing. The proximity of the presidential election was a significant consideration in the decision to support the deal.

A presidential tweet triggered U.S.-Korea bilateral discussions on host nation support. There were disagreements with the South Korean government on the amount of increased payments it would be willing to offer, and the game ended before an agreement was reached.

Finally, Beijing, feeling pressure in the South China Sea, approached Pyongyang. It wanted another provocative action once the tri-party agreement had been signed in order to pull Washington’s focus back to Korea. Pyongyang agreed, but would only take actions that would not jeopardize the agreement with its sanctions relief. They decided on a short-range missile launch. While Washington and Seoul were very upset with this apparent violation of the just concluded agreement and condemned the action, they did not walk away from the agreement before the game ended.

¹ Chuseok is a major harvest festival and a three-day holiday in both North- and South Korea celebrated on the 15th day of the 8th month of the lunar calendar on the full moon.
The South China Sea

This move opened with the U.S. administration urging the Senate Foreign Relations Committee to review the Taiwan Relations Act and its applicability to Chinese aggression against Taiwan-administered islands and features beyond Taiwan itself. In fact, the TRA legislation currently only applies to Taiwan and the associated Penghu (Pescadores) Islands. This request was a signal to China, and for that matter the world, that Washington was considering the use of force in response to Beijing’s activities and was aiming to provide a legal rationale for doing so. Beijing was surprised by this, took the threat seriously, and attempted to lobby the Senate not to widen the scope of the TRA. To put additional pressure on the United States, China also declared a South China Sea ADIZ, claiming this activity was unrelated to the current tension and in fact had been in the planning stages for some years.

At about this time, the U.S. Deputy Secretary of State arrived in Beijing for discussions aimed at heading off conflict in the South China Sea. He stated that the United States would take action to reinforce international law and freedom of navigation. China argued that all its actions were peaceful and defensive, and offered no compromise positions. The Deputy Secretary then visited allied capitals for consultations, and in addition visited Taiwan. He was the most senior U.S. official to visit Taiwan in an official capacity since 1979.

Washington also decided to go forward with its plans to put U.S. forces on another Philippine occupied island and chose Thitu. Manila was not enthusiastic about the action, insisting that the United States assume responsibility for the safety of the Philippine families living there, and declining to participate in an exercise, but eventually agreed to the U.S. action. The United States landed a Marine Expeditionary Unit of around 2500 U.S. Marines from Okinawa on Thitu and began amphibious landing training.

Meanwhile, Beijing proceeded with its Scarborough Shoal plans. A large Chinese force arrived off the shoal, and almost immediately began to organize dredging and landfill operations. China claimed its dredging activity was associated with building a “public good” for the region; the same rationale it had used when it was building island bases in the Spratlys in 2015. Washington was slow to react to this Chinese escalation.

Beijing attempted to evacuate the Taiwanese who were still barricaded in the headquarters building on Taiping without bloodshed. They arranged a charter aircraft from Singapore. Taipei feared that if its citizens left it would lose any hope of ever regaining Taiping, and the detainees refused to leave the headquarters building. Beijing was not ready to use force, and the game ended with the Taiwanese still in place, surrounded by PLA Marines.

At this point, Washington decided it had to do something about Scarborough. The policy decision was announced in a presidential tweet:

“Chinese need to get out of Scarborough Shoal! This is Philippine sovereign territory – our treaty applies! You need to get off and focus on better issues!”

Meanwhile sentiment on Capitol Hill was hardening against China and in favor of Taiwan.

At this point, the United States proposed, and China accepted, a summit meeting to discuss the stalemate in the South China Sea.
The game ended before the summit took place, but both the United States and China felt that they were in strong positions for the negotiations. China did not intend to withdraw from the two islands it occupied and indicated no interest in halting construction operations at Scarborough Shoal. China believed that the United States was not ready to use military force to eject it from Taiping, Pratas, and Scarborough Shoal. It expected to be condemned for its actions, with perhaps some economic sanctions, but assessed these effects to last only a few years. It would now occupy three major South China Sea islands, solidifying its claim to dominance. The United States, for its part, believed that with its buildup of amphibious forces on other Spratly Islands, and the increase in its military cooperation with Taiwan, China could be convinced to withdraw from Taiping, Pratas, and Scarborough Shoal. Even if China could not be convinced, Washington believed that it had built a coalition including Japan, South Korea, Taiwan, and the Philippines which could operate effectively to prevent future Chinese aggression.
Scenario Insights and Comments from Each Country Team

China

U.S. South China Sea Policy from a Chinese Perspective

Beijing has a major advantage in the South China Sea in times of crisis since the default U.S. policy is to support the status quo. The status quo for China means that its grip on the Paracels, its control of access to Scarborough Shoal and the seven bases it has built in the Spratly Islands are not at risk. In South China Sea confrontations, if it is careful and does not cross the U.S. threshold for using military force, China can only come out ahead.

Faits Accompli

The China Team believed that quick action to occupy features in the South China Sea would be successful; that the United States would not contest them with military force. The China Team was taking a chance, as the instructions from Xi Jinping were to avoid armed conflict with the United States. During the three-month period of the TTX scenario, this assessment was correct. However, by the end of the game the U.S. Team was planning military options in case the summit meetings were unsuccessful and had deployed enough military power to offset China’s advantage in its day-to-day military presence. By this time, however, Chinese public opinion was also coming into play, and had China retreated from any of the three features it had occupied, it would have risked heavy discontent and criticism at home.

Undermining the U.S. Alliance Network is difficult once a crisis emerges.

The U.S. alliance network in East Asia instinctively tightened as North Korean and Chinese actions became more aggressive. Although South Korea, Japan, and Taiwan were surprised by some U.S. actions, during a crisis they all felt they had no alternative but to cooperate closely with the United States. This led to them taking unprecedented actions such as joining naval task groups in the Taiwan Strait and the South China Sea. Efforts by Beijing to raise doubts about U.S. reliability and weaken alliance trust can most effectively be done before crises emerge.

U.S. Alliance Management should be hard; it was not during TTX.

Beijing expected Japan, South Korea, and Taiwan to focus on their individual interests, especially when Taiwan was involved. China believed that Washington would be stressed in allocation of forces, attention, and by conflicting demands from different allies. In this exercise, the allies were clear about their individual interests, but also understood that Chinese actions throughout the region needed to be dealt with, and that only the United States could lead that campaign. Trilateral and even quadrilateral cooperation established quickly and effectively.
Grabbing Taiping and Dongsha was easy, why hasn’t China done this already?

The permanent garrisons on Taipei’s two holdings in the South China Sea are small and lightly armed. Both of these features could easily be occupied, and the action readily justified by the One China rationale. The reason China has not made this move is probably the same reason it has not seized the more heavily defended but still vulnerable islands like Jinmen and Mazu: The features have no inherent strategic value and seizing them would merely strengthen pro-independence forces in Taiwan and make peaceful reunification with Taiwan impossible for generations.

U.S. Policy Escalation

When the United States began to treat Taiwan as a full-fledged sovereign state in security terms, and when Japan and South Korea also began high-level consultations with Taiwan, China was deeply concerned about the immediate and long-term implications this posed. The China Team assessed that it could still effectively seize more features, deescalate the crisis, and pressure the United States, Japan, and South Korea to resume their former restrictions on relations with Taiwan. However, China assessed that there was a risk of a long-term anti-Chinese coalition forming from these actions and U.S. policy escalation.

Japan

Japan separated its military and diplomatic focus during the TTX. During the TTX, Japan’s military priority went to supporting Taiwan while its diplomatic priority went to the Korean Peninsula. The absence of any military involvement in a Korean crisis is not a surprise since South Korea does not welcome it. On the other hand, the proactive support from Tokyo for Taipei in this game and its regional focus on dealing with Chinese aggression was unprecedented. The Japan Team explained that their game play reflects the changes made in recent years in Japan’s security policies, constitutional interpretations, and twice-revised Guidelines for U.S.-Japan Defense Cooperation.

Japan is largely isolated from Chinese economic pressure.

The Japan Team assessed that its vulnerability to Chinese economic pressure had been substantially reduced in recent years. Due to its very large domestic market, its dependence on foreign trade was less than 10% of GDP, and less subject to Chinese pressure than previously. As a result, the Japan Team did not feel constrained in its actions by concern about Chinese economic retaliation.

Trilateral Coordination Mechanisms/Procedures

From the very beginning of the TTX, it was clear that trilateral coordination between the United States, Japan, and South Korea would be necessary. The Japan Team quickly took the initiative and suggested that the extant bilateral Alliance Coordination Mechanism be expanded to involve Seoul. This was quickly accepted by the South Korea Team and proved to be a very effective way to conduct trilateral cooperation throughout the TTX.
Quadrilateral Coordination

The TTX broke new policy ground when the United States, Japan, and South Korea began quadrilateral security planning with Taiwan because of Chinese actions against Taiping and the subsequent occupation of the Dongsha Islands and Scarborough Shoal. In the past, all three countries had kept both their diplomatic and military cooperation and even communication with Taiwan at low official levels under their “One China” policies and for fear of Chinese retaliation. The Japan Team expected strong Chinese reactions in some form, although they did not play out before the end of the TTX.

South Korea

Participants recognized the value of a standing trilateral consultation system.

Like the Japan and U.S. Teams, the South Korea Team found the quick establishment of trilateral diplomatic and military consultation mechanisms to be very important.

The Proactive Deterrence Doctrine

The South Korea Team was surprised and disappointed that the United States did not support its initial plan of a missile strike on a North Korean submarine base in response to the raid on Kunsan. It was not sure if the U.S. restraint was due to the unique circumstances of the scenario - simultaneous aggressive challenges by both North Korea and China – or whether the United States had more fundamental misgivings about the doctrine that it had earlier approved. In any case, it is clear that circumstances have changed since the doctrine was established a decade ago. It needs to be re-examined by both South Korea and the United States.
South Korea’s Partial Mobilization

The South Korea Team was surprised that the United States, a team that included several members with recent high-level responsibilities in the U.S.-South Korean relationship, called for voluntary evacuation of U.S. citizens when South Korea announced partial mobilization. Partial mobilization is a non-provocative, non-escalatory defensive measure to raise manning levels of existing ROKAF units. U.S. voluntary evacuation has the potential to deeply alarm the South Korean public. The sequence re-emphasizes the importance of continuous U.S.-South Korea consultation before the public announcement of crisis actions by either government.

Russia

During the TTX, Russia acted as a status quo power in this region. It was not a spoiler so much as an opportunist. Seizing opportunities was always a balancing act between becoming relevant to the crisis and staying out of any military conflict. The desire was to extract maximum benefits either from China for being supportive, or from the United States and Japan for being neutral. Attaining political benefits from China was preferable since it could actually deliver recognition of Crimea where core Russian interests lie, compared to anything the United States might promise - most of which would be unreliable. Moscow largely ignored Japan’s diplomatic notes and did not request a meeting with Tokyo, although “keeping Russia neutral” was one of Tokyo’s objectives. From Tokyo’s perspective, a high-level meeting was not essential since Russia was seemingly neutral and avoided proactive behavior.

United States

China has a security structure in Northeast and Southeast Asia, while the United States only has one in Northeast Asia.

Since the United States withdrew from its bases in the Philippines in 1992, its military presence in Southeast Asia has been based on deployed forces. Since the election of President Duterte, the likelihood and nature of U.S.-Philippine cooperation in the event of crisis has been unpredictable. Although in the TTX the United States was able to deploy very strong maritime and air forces into Southeast Asia, sustaining this high level of presence was becoming a strain on the overall force.

Chinese encouragement of North Korea, rather than its more traditional policy of restraint, is a different and dangerous dynamic.

Beijing in the TTX was willing to play with fire when it decided to embolden Kim Jong-un to take aggressive action. Although as the game developed, North Korea re-opened a diplomatic track with South Korea and the United States relatively quickly, the Chinese security guarantees to North Korea could have emboldened it to more serious provocations that risked a conflict on the Korean Peninsula.
Simultaneous crises in East Asia raised issues of sustainability. The TTX generated high operational tempo demands for forces across both Northeast Asia and Southeast Asia that exceeded the capacity of U.S. first responders already stationed in the region. U.S. forces had to be surged from Hawaii and the continental United States. Whenever forces are surged from the United States or other regions in response to crises, the question of how long it will be necessary to sustain the surge becomes an issue. There is a long history of surges morphing into a new normal of sustained presence with adverse impact on training, readiness, and personnel retention. Although the game did not last long enough for this to happen, military players on the U.S. Team were beginning to analyze the potential penalties of sustaining such heavy deployments.

In the TTX scenario, the force contributions by Japan’s SDF were absolutely essential in managing the requirements for U.S. force deployments.
Overall Comments and Recommendations

Realism of Chinese Aggressiveness

In this TTX, China took unprecedented risks to challenge the interests of the United States and its allies. It offered major, if not complete, security guarantees to North Korea in return for the undertaking of provocative military actions by North Korea. In the South China Sea, it occupied three new features.

China took several major risks: first, that North Korea’s provocations would not lead to conflict on the Korean Peninsula; second, that the United States would not use military force to eject Chinese forces from the three features; and third, that its actions would not cause the formation of a quadrilateral coalition to contain China over the long-term.

It can be argued that for China to run these major risks is unrealistic – China in the past has been much more cautious and restrained than the China Team in this scenario.

However, it is also true that the overall trend in Chinese policy has become more aggressive and more tolerant of risk in recent years, especially since President Xi has taken office. The actions taken by the China Team, while aggressive, were not reckless. The China Team was under instructions not to provoke war with the United States, and always left itself a de-escalation path.

If TTXs are to have any value, they must examine future events that are not simply extensions of current situations and policies. It is by considering different potential scenarios that the United States and its allies can discover opportunities to enhance the protection of their shared interests, and to understand weaknesses in their current policy positions that timely action can eliminate. The following recommendations are offered in that spirit.
China's Ability to Strain America's Alliance Structure in East Asia

The objectives of the China Team were to expand Chinese influence and authority in East Asia and to drive wedges between the United States and its allies. The China Team made innovative and bold actions that took advantage of geography, secrecy, and policy ambiguity.

China was able to create tension between the United States and South Korea, when the United States restrained South Korea from retaliating against a North Korean military base for the Kunsan Incident. It was able to create tension between the United States and Taiwan when the United States restrained Taiwan from mounting an amphibious assault to retake Taiping from occupying Chinese forces. China took two features from Taiwan that added little to its existing network of bases in the South China Sea; the game ended before the United States had decided whether to stop China's occupation of the Philippine-claimed Scarborough Shoal.

In return for these short-term gains, China inspired a major increase in military and diplomatic cooperation among the United States, Japan, South Korea, and Taiwan. The quadrilateral coalition at the end of the exercise was much stronger than at the start, and additional Chinese gains would have been difficult and high risk.

Contrary to Chinese hopes, the U.S. alliance network in East Asia tightened and strengthened rather than weakening and fraying. There were individual points of tension, some of them game artificialities, but overall the U.S. Team grasped the challenge that China was posing, formulated restrained responses as it prepared for stronger counters, consulted closely with its allies and Taiwan, and took their capabilities and interests into account. The Allies and Taiwan registered their individual requests with the United States, but also recognized the regional nature of the challenge, and were willing to cooperate on a response to China.

The following specific insights and recommendations are offered:

Participants recognized the value and effectiveness of trilateral crisis consultation and cooperation among the United States, Japan, and South Korea.

In the TTX, China failed in its attempt to drive wedges into the seams of U.S. alliance and security structure in East Asia. Under the pressure of North Korean and Chinese aggression, the three countries drew closer together in policy, diplomatic, and military cooperation.

TTX participants, all experienced former high-level officials and officers, agreed that trilateral coordination in the game was better than it would actually be in reality. The following recommendations have the objective of bringing real world coordination up to TTX levels.

**Recommendation**

1. **Expand the U.S.-Japan Alliance Coordination Mechanism into a trilateral U.S.-Japan-South Korea Coordination Mechanism.**
The current Alliance Coordination Mechanism, established by the 2015 U.S.-Japan Defense Guidelines, is a secure VTC between Washington and Tokyo with wide flexibility in issue and participation. It can be used for consultation at all levels of government, and across all national security departments and ministries of both countries. A node for South Korea could be established under the same basic procedures. Disputes between Japan and South Korea over historical events and territory are a current major barrier to this recommendation, but it should be pursued as circumstances allow, and established quickly in the event of developments such as those in this TTX.

Participants recognized the value of U.S., Japanese, and South Korean communication and consultation with Taiwan in dealing with regional Chinese aggression.

During the exercise, China occupied two Taiwan-administered features in the South China Sea. Communication and consultation among the United States, Japan, South Korea, and Taiwan was vital to forming effective multilateral responses. To adhere to respective “One China” policies, all three countries severely restrict visits and other communication mechanisms with Taiwan. The United States has fewer restrictions, but this still makes coordination cumbersome. Japan and South Korea have rudimentary channels to coordinate with Taiwan. China reacts strongly to any expansions in these channels. However, the participants in the TTX agreed that improvements can and should be made.

Both Seoul and Tokyo were willing in the TTX to involve themselves in unprecedented ways with Taiwan and adopt a unified position regarding Chinese aggression in the South China Sea. While the TTX players may have been ahead of current practice, it is worth considering what activities by Beijing were considered egregious enough by Seoul and Tokyo to cause them to adjust flexibility within their respective “One China” policies. In any case, while in-person visits to and from Taiwan have sensitive policy implications, why should those countries that would be strongly affected by a Taiwan crisis not have established economic, political, and military communications networks with Taiwan to foster clear understandings in peacetime and crisis?
Recommendation

2. Expand Japan’s and South Korea’s mechanisms to consult and coordinate with Taiwan so they resemble the robust connection between the United States and Taiwan. Establish a secure VTC link between the United States and Taiwan that can be used for consultations at all levels and among all national security departments. Ensure that this secure VTC can be expanded to other U.S. strategic partners or allies in the event of crisis or conflict.

Participants recognized limitations to current U.S. policy in the South China Sea.

Participants recognized that the long-standing U.S. policy of taking no position on the respective sovereignty claims in the South China Sea undercuts Washington’s influence, weakens its public diplomacy and slows its reactions when it makes stability, absence of coercion, and adherence to international law the centerpieces of its policy. China ignores Washington’s nagging, while it patiently accumulates South China Sea features and attempts to steal the natural resources that legally belong to the littoral nations. It has audaciously expanded the scope of its claims to include so-called historic rights to all the natural resources found within the Nine-Dash Line. Meanwhile, other claimant countries have to hedge their relations with the United States and China, not knowing how the United States will react to any specific Chinese move.

In the TTX, the United States response of occupying contested islands, with the reluctant consent of the Philippines and with the expectation of trading a future withdrawal for China’s, was an improvised plan without a high certainty of success.

The United States would have been in a much stronger position during the TTX, and its policy and military options much more effective, if it had an established position on which of the various claims in the South China Sea it recognized, and which it did not.

For example, Washington could promote a solution that would be based on the well-established legal principle of uti possidetis, which means that in absence of agreement to the contrary, every country is entitled to keep what it has. Beijing would almost certainly balk, but if the ASEAN claimants could all agree to this principle, all of ASEAN’s overlapping claims over the Spratly Islands would be resolved. To turn this idea into policy reality would probably require a pledge from Washington to recognize sovereignty agreements that had been reached, thereby disallowing China’s claims to anything beyond what they currently hold.

This is a bold course of action. China would certainly react negatively, but a response could be restrained if all other regional powers such as Japan, South Korea, Indonesia, India, and Australia also recognized these claims. A TTX report cannot fully develop a radical change of policy such as this, but it is a place to point out that current U.S. policy has not worked for decades. Recommending the reconsideration of policy alternatives is certainly justified.

Recommendation

3. The United States should consider the merits and risks of adopting a position on conflicting maritime claims in the South China Sea, persuade other countries to support this position, and develop diplomatic strategies as well as military contingency plans based on these positions.
Consequences of an unambiguous U.S. policy on territorial claims in the South China Sea

With or without formal application of a position on territorial claims based on *uti possidetis*, the United States needs to go beyond current freedom of navigation exercises to diplomatic and military planning which could address potential Chinese aggression against either unoccupied Spratly features, or features occupied by other countries. Currently, the Philippines occupies nine, Malaysia occupies five, and Vietnam occupies over twenty. The U.S. position of ambiguity undercuts deterrence.

While U.S. treaty obligations and interests do not include automatic military defense of specific features, they do provide a basis for U.S. intervention under a range of circumstances:

- In the cases of features occupied by Malaysia and Vietnam, the U.S. is under no formal obligation to take actions. Its actions would be governed by the overall threat situation and the nature of the specific aggressive action.
- If China invaded a Philippine-held feature, the existing Mutual Defense Treaty (MDT) would seem to apply if in the course of this occupation the PLA forces shed Filipino blood, sank a government ship, or shot down a government aircraft.
- In addition, the likelihood of a U.S. response would be higher in the case of a PLA assault on a Philippine-occupied island such as Thitu. Scarborough Shoal, neither in the Spratlys nor the Paracels, is both more strategically important than other islands in the South China Sea, and the Philippines claim to sovereignty has been internationally recognized by the Permanent Court of Arbitration. The MDT only calls for consultations and does not guarantee that the United States will respond with force. Again, although the chances of the United States taking military action are higher than in the case of aggression against Malaysia or Vietnam-occupied features, overall considerations of threat and context would be most important.
- The Taiwan Relations Act is not a guarantee that the United States would take military action in all cases of Chinese aggression against Taiwan. In the past, the United States has communicated the position that unprovoked attacks on Taiwan itself and the Penghu Islands would more likely trigger military intervention than on other, more distant Taiwan-occupied islands and features. As in the case of the Philippines however, even a limited security guarantee to Taiwan, depending on other circumstances, would make it more likely that the United States would intervene.

**Recommendations**

4. The United States should conduct a policy review of its responses to Chinese aggression against occupied or unoccupied features in the South China Sea. While the details of military actions should be classified, the United States should make it clear that treaty obligations would be invoked by aggression and could under certain circumstances result in military intervention.

5. The United States should conduct a review of its position on the sovereignty over Scarborough Shoal and publicly announce that it recognizes the claim of the Philippines.
Participants witnessed Chinese aggression against Taiwanese administered territories.

During the exercise, the Taiwan Team expressed disappointment that the United States did not immediately support its plan to send amphibious forces to retake Taiping Island. On the other hand, unprecedented upgrades in diplomatic and military consultation with Taiwan on the part of the United States, Japan and South Korea were very important for Taiwan’s long-term security.

**Recommendation**

6. Planning associated with U.S. military options in support of the TRA should recognize the requirement for a rapid expansion of consultative and cooperative mechanisms with Taipei. There has always been a moral hazard that expanded U.S.-Taiwan joint military planning would encourage provocations from China. Clear guidance about the importance of consultation, but the conditional nature of contingency plans, can provide the same benefits without incurring the hazard.

Participants identified the necessity for U.S.-Japan Cooperation in Southeast Asia.

The TTX scenario focused on the South China Sea, and did not involve ASEAN collectively, or Southeast Asia nations individually, with the exception of the Philippines. As a result, the wider Chinese campaign for greater power and authority in Southeast Asia was not fully explored during the exercise. However, the need for a broad understanding between Tokyo and Washington on strategic objectives in Southeast Asia was clear from the scenario. Japan has always been active in Southeast Asia with business involvement and economic assistance. The TTX demonstrated Japan’s greater willingness for involvement in security initiatives.

**Recommendation**

7. Japan and the United States should refresh a combined diplomatic, economic, and military strategy for Southeast Asia to counter Chinese influence and preserve an independent, prosperous, secure, and peaceful region.

**Concluding Judgement**

A single TTX cannot provide definitive conclusions, but the overall insight from Pacific Trident III is that the United States and its East Asian allies, Japan and South Korea, working in concert with Taiwan, have the capacity to deal with aggressive simultaneous Chinese challenges throughout the region.
Photo Credits


Page 24. Japan Coast Guard vessels. Photo from Wikimedia Commons.


Page 48. Inside the Lockheed Martin Center for Innovation. SPFUSA Photo.