

**Prepared Statement of
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**Hearing on Taiwan-China:
Recent Economic, Political, and Military Developments across the Strait, and Implications
for the United States**

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Mr. Chairman, thank you for the opportunity to participate in today's hearing on a topic that is important to U.S. interests in peace and stability in the Asia-Pacific region. It is an honor to testify here today.

A proper starting point is a brief review of the Taiwan Relations Act (TRA). The TRA highlights the U.S. expectation that Taiwan's future will be determined by peaceful means, considers non-peaceful solutions a challenge to regional peace and security, provides the basis for U.S. provision of arms of defensive character, and the need to maintain the capacity of the United States to resist any resort to force or other forms of coercion that jeopardize the security, or social or economic system of Taiwan.

At the same time, healthy and constructive relations between the United States and People's Republic of China (PRC) are important and founded upon understandings outlined in the three Joint Communiqués. An important yet often overlooked aspect of these understandings is an assumption of Beijing's commitment to a peaceful approach to resolving its political differences with Taiwan. However, fundamental differences exist over what constitutes a peaceful approach. Beijing views its military posture as ensuring a peaceful approach in part by deterring what it perceives as moves on Taiwan toward *de jure* independence. However, successive U.S. administrations have defined a peaceful approach in terms of the nature of the PRC military posture arrayed against toward Taiwan. As a result, U.S. sales of defense articles and services in accordance with the TRA are driven by the nature of the military challenge that the PRC poses to Taiwan.

In addition, it is worth noting up front that the military dimension of cross-Strait relations is only one aspect of a broader dynamic that contains elements of both cooperation and competition. Subsequent panels today will address growing economic interdependencies. Despite unfavorable odds, Taiwan has not only flourished but has played a central yet often unacknowledged role in a gradual liberalization of the PRC since initiation of its far-reaching economic reforms. Over the past 25 years, Taiwan has become a hidden yet major factor behind China's economic reforms and rapid export-driven growth that has been essential for domestic stability, modernization, and potential gradual political liberalization. These reforms, facilitated by a massive infusion of

capital and expertise from Taiwan, have increased the population's standard of living, literacy, and relative level of personal freedom.

Economic interdependence has the dual effect of discouraging moves that challenge fundamental PRC interests with regards to perceived moves toward *de jure* independence on the one hand, while furthering the peaceful transformation of China on the other. As economic ties have grown, Beijing appears to be softening its approach to dealing with Taiwan while at the same time continuing to advance its ability to exercise military force. Paradoxically, despite the PRC's ability to impose its will upon Taiwan through military means, the costs of doing so are rising at an exponential rate. Non-military factors, such as growing economic interdependence, may increasingly dampen moves on either side of the Taiwan Strait to adopt policies that challenge fundamental interests of the other.

Perhaps the greatest challenge to cross-Strait relations continues to be the PRC's refusal to renounce use of force to resolve its political differences with Taiwan. However, renunciation of use of force by itself is not enough. An end to the state of hostility between the two sides of the Taiwan Strait would require a tangible decrease in the nature of the military threat that Chinese authorities and the military force under their control pose to the people on Taiwan and their democratically elected leadership. Overall trends in cross-Strait relations makes continued reliance on implicit or explicit use of military force increasingly outdated and even counterproductive.

Taiwan's influence in China likely will continue well into the future. Guided by the Taiwan Relations Act, a strong defense has enabled Taiwan to withstand PRC coercion, foster democratic institutions, and given Taiwan and its people the confidence needed for the deepening and broadening of cross-Strait economic and cultural interactions. In short, there is no logical disconnect between efforts to improve cross-Strait economic and political relations, Taiwan's desire for a strong defense, and procurement of defense articles from the United States.

Trends in PRC Military Capabilities

The PRC is steadily broadening its military options that could be exercised against Taiwan, including the ability to use force at reduced cost in terms of lives, equipment, and overall effects on the country's longer term development goals. Investment priorities include increasingly accurate and lethal theater ballistic and land attack cruise missiles; development and acquisition of multi-role fighters; development of stand-off and escort jammers; and ground force assets such as attack helicopters and special operations forces. At the same time, Beijing is investing in advanced command, control, communications, and intelligence systems and is increasing emphasis on training, including increased use of simulation.

Beyond simply developing a broader range of military options that could be applied against Taiwan, the PRC also is focused on developing the means to deny or complicate the ability or willingness of the United States to intervene in response to PRC use of force around its periphery. Evolving capabilities include extended range conventional precision strike assets that could be used to suppress U.S. operations from forward bases in Japan, from U.S. aircraft battle groups operating in the Western Pacific, and perhaps over the next five to 10 years from U.S. bases on Guam.

Aerospace power will become an increasingly powerful instrument of PRC coercion as the range and number of PLA strike aviation assets increase, land attack cruise missiles are fielded, their inventory of increasingly lethal and accurate theater ballistic missiles expands, and sophisticated electronic attack assets are deployed. Aerospace power likely will dominate any conflict in the Taiwan Strait and could shape its ultimate outcome. PLA planners may perceive that an aerospace campaign, involving the integrated application of theater missiles, electronic warfare, and strike aviation assets, offers the PRC political leadership with quick, decisive political results, perhaps more so than other options, such as gradual escalation involving a series of island seizures or slow strangulation through a maritime blockade.

Balance and Assumptions

With the foregoing in mind, a relative erosion of Taiwan's military capabilities could create opportunities and incentives for Beijing's political and military leadership to assume greater risk in cross-Strait relations, including resorting to force to resolve political differences. The cross-Strait security situation often is viewed within the context of a military balance. However, PLA capabilities should be judged against specific political objectives in a given scenario and assessed in light of Taiwan's vulnerabilities, as well as assumptions upon which U.S. decisions in fulfilling TRA obligations are made.

Evaluating basic assumptions may serve as a useful starting point. Assumptions are an important foundation for the deliberate and force planning process and in assessing Taiwan's required capabilities. At least two assumptions may be most relevant: 1) independent defense vs. external intervention; and 2) coercive courses of action vs. annihilative/invasion.

To begin with, should Taiwan assume U.S. intervention as the basis for strategic and operational planning? If there is a high degree of certainty of external assistance, such as that found in a formal alliance, then this likely would lead to a different set of priorities in the force planning and acquisition process. While there is good reason to hope and plan for potential *ad hoc* coalition operations with intervening U.S. forces, the TRA is no substitute for a mutual defense treaty. In the absence of a formal alliance commitment, prudence seems to suggest that independent defense should serve as a formal planning assumption and the basis upon which U.S. policy decisions with regard to release of defense articles.

A second fundamental assumption relates to possible PRC courses of action. If one judges Taiwan's requirements on a worst-case, least likely course of action, then the conclusions reached could be different from judgments based on more likely coercive courses of action. Within this context, assessments of the capabilities required for sufficient self-defense can be inherently subjective.

At its most basic level, debates could surround whether most likely courses of action could be coercive in nature, or annihilative through a full scale invasion. An amphibious invasion is the least likely yet most dangerous scenario and the basis upon which most assessments of Taiwan's requirements are made. It is easier to evaluate military balances when political, psychological, economic, and factors are removed.

However, annihilation involving the physical occupation of Taiwan is the least likely course of action. PRC decision makers could resort to coercive uses of force, short of a full scale invasion,

in order to achieve limited political objectives. Coercive strategies could include a demonstrations of force as seen in the 1995/1996 missile exercises, 1999 flights in the Taiwan, or in the future a blockade intended to pressure decision makers in Taiwan to assent to Chinese demands, strategic paralysis involving attacks against the islands critical infrastructure, limited missile strikes, flights around the island, just to name a few.

A coercive campaign could be geared toward inflicting sufficient pain or instilling fear in order to coerce Taiwan's leadership to agree to negotiations on Beijing's terms, a timetable for unification, immediate political integration, or other political goals. Military coercion succeeds when the adversary gives in while it still has the power to resist and is different from brute force, an action that involves annihilation and total destruction.

Prominent PLA political analysts believe coercive approaches offer the optimal solution to minimize negative international repercussions in the wake of using force against Taiwan to achieve limited political objectives. According to one PLA observer, a full scale military assault is "the largest scale and most violent military operation that hopes to achieve unification in one stroke and will be the most likely operation to cause the most serious U.S. military intervention." While confident China could prevail in a determined attempt to occupy the island, even in the face of limited U.S. military intervention, observers believe that the likelihood of a new Cold War in the Asia-Pacific region would be the costly consequence of a brute force, annihilative solution. Such a situation would imperil China's broader national goals and may be unnecessary to achieve more limited political goals.

PRC leaders may believe that Taiwan's central leadership has a low threshold for pain and would acquiesce shortly after limited strikes. However, others do seem to believe that coercive measures such as a blockade or occupation of a few off-shore islands leaves too much to "luck" since the Taiwan leadership's threshold is difficult to calculate.

Regardless, a couple of examples may help in illustrate the differences between coercive and annihilative scenarios in the context of U.S. security assistance. First, as the PRC began its short range ballistic missile (SRBM) build-up opposite Taiwan well over a decade ago, Chinese interlocutors vehemently protested the potential sale of systems, such as PATRIOT PAC-3, which could undercut the coercive utility of the SRBMs. PRC interlocutors made it clear that the military utility of these systems in a full scale military confrontation was not a concern. Missile defenses can be saturated or exhausted in fairly short order through a combination of multi-axis strikes, maneuvering re-entry vehicles, exhaustion or saturation through large scale salvos, and a range of other missile defense countermeasures. However, what made these systems egregious is that they weakened the coercive utility of China's growing arsenal and increasingly accurate and lethal ballistic missiles, limited the menu of coercive courses of action available to PRC political and military leaders, and ostensibly signified a deepening of the bilateral relationship between Taiwan and the U.S.

On the other hand, the PRC has long viewed U.S. support for Taiwan's acquisition of submarines as another red line, yet for different reasons. Submarines are viewed as having significant military utility due to their inherent ability to survive a crippling first strike, potential ability to complicate surface operations in an amphibious invasion scenario, and possible challenges to PRC strategic sea lines of communication should a conflict escalate beyond the immediate

vicinity of Taiwan. Yet they also most likely could signify a broadening or deepening of operational linkages between the US and Taiwan.

When viewed within a coercive context, Beijing is at war with Taiwan every day. Use of force goes along a continuum from "deterrence warfare," perhaps best demonstrated by Beijing's deployment opposite Taiwan of five Second Artillery SRBM brigades under the People's Liberation Army Second Artillery, all the way to annihilation. In between are a range of coercive scenarios involving limited applications of force to achieve limited political objectives. The 1995/1996 missile tests and 1999 flight activity in the Taiwan Strait are examples of use of force at the lower end of the violence spectrum. An amphibious invasion is the least likely scenario, but there are a range of more likely coercive courses of action far short of annihilation. Despite Beijing's arguments to the contrary, "deterrence warfare" is hardly a peaceful approach to resolving differences with Taiwan.

Taiwan's Defense Requirements: How Much is Enough and Toward What End?

Taiwan faces perhaps the most daunting security challenges in the world. Under significant pressure, the armed forces of the Republic of China (ROC) are transforming into a world-class military and the Obama administration, and Department of Defense (DoD) in particular, should be commended for efforts to date. In order to meet the evolving challenges, a set of fundamental capabilities may be worth considering, with a special emphasis on cost effective solutions that could address a broad spectrum of coercive and annihilative challenges. The effectiveness of one capability over another depends upon the effects that policymakers are seeking. If planning for a worst case scenario, then raising the costs to the PRC of using military force by denying it success in occupying and pacifying the island becomes critical. A discussion of possible solutions could be broken down into the following capabilities:

- Upgrading the island's ability to ensure situational awareness and assured ability to communicate in the most stressing of scenarios;
- Denying the PRC command of the skies in the Taiwan area of operations;
- Ensuring sea lines of communication remain open; and
- Denying the PRC the ability to take and hold Taiwan.

C4ISR. One of the most fundamental requirements in any emergency situation is a survivable national command and control system that with sufficient warning of impending dangers and a survivable information infrastructure that could function in the most stressing of emergencies. Taiwan has powerful incentives to field one of the most advanced and networked emergency management C4ISR systems in the world. Whether military or civilian, responses to all hazards require maximal situational awareness and the means to react efficiently and effectively to prevent a further deterioration of the situation. Perhaps best exemplifying Taiwan's position at the cusp of the information revolution is the recent introduction of one of the world's most sophisticated advanced tactical data link networks. The number of participants in the network today remains limited. However, assuming proper training and cultural adjustments can be managed, the gradual expansion of the advanced data link network will solidify Taiwan's position at the leading edge of the network-centric information revolution.

However, there is more that could be done to leverage C4ISR for its defense. Enhancements to its command and control system, especially in the area of anti-submarine warfare (ASW) and maritime domain awareness, would better prepare the island's civil and military leadership for a range of emergency situations. Other investments could be worth considering, such as advanced voice communication technologies and dual-use space systems (including electro-optical and synthetic aperture radar (SAR) remote sensing and broadband communication satellites), could prove invaluable to PRC use of force, as well as disaster warning, recovery, and response. These capabilities also may satisfy verification requirements in any future cross-Strait arms control regime.

Air Defenses. Denying the PRC unimpeded access to skies over the Taiwan Strait and Taiwan proper is a fundamental requirement. While it may be difficult to sustain operations indefinitely in an annihilative scenario, air and air/missile defense assets may be critical in resolving a conflict in its early stages and help defend the sovereignty of the skies over Taiwan. In a protracted resistance, it may be within Taiwan's ability to hold PLA pilots at risk for an extended period of time. Among the basic requirements include effective early warning and survivable surveillance networks and air battle management systems; an integrated approach to defending against medium and short range ballistic missiles, land attack cruise missiles, anti-radiation missiles, unmanned aerial vehicles, and other airbreathing threats.

If viewed from an annihilative perspective, and the goal is to deny the PRC uncontested air superiority, sea control, and ability to insert a sizable force onto Taiwan proper, then a multi-role manned platform able to conduct multiple missions is needed: close air support missions in support of the Army, maritime interdiction missions in support of the Navy, and extended range air defense against opposing fighters and other air assets. The fourth mission is more sensitive: deep interdiction against critical nodes within the theater operational system.

Maintaining the current size of Taiwan's fighter fleet, consisting of roughly 400 fighters, is important. The fleet of 60 F-5E/F fighters that Taiwan acquired during the Reagan administration is nearing the end of its useful service life and sustaining four different airframes is a significant logistical burden.

When matching these requirements against the need to take off and land using limited amount of runway, then an optimal solution could be a very short take off and landing airframe. However, possible options likely wouldn't enter the operational force for an extended period of time. From this perspective, Taiwan's desire to procure additional F-16s is understandable. The airframe already exists in the ROCAF's operational inventory, and additional F-16s to replace other airframes could reduce the logistical burden. A follow-on procurement of F-16s could serve as a bridge pending the availability of very short take off and landing airframes, or reduction of the PRC's military posture arrayed against Taiwan. While Taiwan's current ability to rapidly repair runways is substantial and its bunkers housing aircraft are significant, more likely could be done to ensure continuity of air base operations.

Denial of Sea Control. An integrated maritime surveillance network that could detect activity out into the open ocean appears to be a valid requirement. Such a network could not only support military operations, but also could be invaluable for a broad range of other missions, including border control, disaster warning, counter-trafficking, and scientific research. Among the range of options include undersea and coastal surveillance, a network of low probability of

intercept coastal surveillance radars, and unmanned aerial vehicles. Taiwan's acquisition within the last few years of fast attack boats also appears to be a step in the right direction. The boats, with a lower radar cross section than larger frigates and destroyers, are able to operate with more flexibility in coastal waters. Taiwan has a valid requirement for diesel electric submarines that not only would undercut the coercive value of the PRC's growing naval capabilities, but also contribute toward countering an amphibious invasion.

Counter Invasion. The goal in a counter-amphibious landing campaign logically would be to identify and target command and control nodes, negate as many amphibious landing ships as possible, and attrit invading forces to the maximum extent, preferably as far from shore as possible. In order to reduce the size of attacking forces, joint maritime interdiction is key. In theory, assuming sufficient munitions, an impenetrable coastline could be an ultimate deterrent. In addition to new generation attack helicopters and anti-ship cruise missiles, also worth examining could be artillery- or multiple rocket-launched shells with dual purpose improved conventional munitions (DPICM) or other submunitions.

Concluding Remarks

A full scale military conflict between the two sides of the Taiwan Strait would be disaster, not only for Taiwan and the PRC, but for the United States and the world as a whole. As the economies of the two sides of the Taiwan Strait become increasingly integrated, the chances for armed conflict, in effect a form of mutually assured economic destruction, are likely to diminish. However, the PRC's refusal to renounce use of force against Taiwan to resolve political differences and reduce its military posture arrayed against the island remains an obstacle to peace and stability in the region. Given the evolving asymmetries in military capabilities, innovative means must be found to raise the costs for PRC of force, regardless of how integrated the two economies become.

Thank you.