THE CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

DECISION 2008: CHINA'S ANTI-SATELLITE WEAPONS LAUNCH

FEATURING:

SENATOR JON KYL (R-AZ)
CONGRESSWOMAN JANE HARMON (D-CA)

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JAMES LEWIS: My name is Jim Lewis. I am a senior fellow here at CSIS. And thank you for coming out on what I hope is one of our last days of winter. (Laughter.) I'm moderating what is one of the first in a series of events we're having here called, "Decision 2008." And the goal of this series is to help build discussion and consensus on some key issues.

Today's event is part of "Decision 2008's" Congressional Dialogue Series, where we invite leaders from Congress, from both sides of the aisle to come and talk about crucial issues. The issue today is China's anti-satellite test.

I hope no one in the room was surprised by the test. The Chinese have been mumbling about doing one of these for many years. So it shouldn't have been a surprise. It comes at a time of major increases in their defense budget. My projection, for what it is worth, is the next surprise will be an aircraft carrier, something to look forward to.

What I would ask, and I would just speak for a second, is, is it worth asking if the Chinese miscalculated, if they made a mistake when they made this test. They misjudged the foreign reaction. They damaged their credibility. You can't say for 10 years our intentions in space are peaceful, and then suddenly blow up a satellite. So there is real implications for U.S. security.

And to talk about that today, we have two of Congress's leaders on national security issues. And I'm really pleased that they are here. CSIS is grateful that they took the time this morning to come and talk.

We have Senator Jon Kyl, and Representative Jane Harman. They have been at the forefront of these issues for years, so we are really eager to hear their views. I'm not going to read their whole bios. We will certainly provide access to them, in part because their bios are so long; they have done so much.

Jon Kyl was elected to the Senate from Arizona in 1994, and that was after four terms in the House, so extensive experience. He is on the Senate Finance Committee where he is the ranking Republican on the Subcommittee on Taxation and IRS Oversight – that is a crucial one. And he is on the Judiciary Committee, where he is a ranking Republican on the Subcommittee for Terrorism, Technology, and Homeland Security, another key committee, subcommittee. And as chairman of the Senate Republican Conference, he directs the communications operations, and is the third ranking member of the Republican leadership.

An equally distinguished career, Representative Jane Harman. She spent eight years – and this is where I know her from and many of us know her from – eight years on HPSI, the House Permanent Select Committee on Intelligence, and the final four as the

ranking member, where she did some really incredible work for national security – a lead role in the passage of the Intelligence Reform Act. She is now a senior member of the Homeland Security Committee and chair of its Intelligence and Information Sharing Subcommittee, which is a committee, subcommittee close to my heart, and those, I know, of many in the room. And she is on the Energy and Commerce Committee, where she serves on the Telecommunications, Internet, Environment, and Hazardous Material Subcommittees, more stuff that is relevant in a way of what we're going to talk about today.

The format will be for each of our speakers to tell you their views on the test, its implications for U.S. security. If we have a little time at the end, they can take a question or two. What I would like to do now it turn it over to Senator Kyl, and ask him to speak.

SENATOR JON KYL (R-AZ): Thank you very much, Jim. First, let me thank you and CSIS, and all of those of you who have come out this morning. It is always fun to be with my colleague, Jane Harman, from a long time ago when I suppose we both served on the Intelligence Committee when we first started getting together on all of these matters. But it seems that matters of national security continuously draw us together on matters. And since our views are close but not quite exactly the same –

REPRESENTATIVE JANE HARMAN (D-CA): Where we disagree, Jon is wrong. (Laughter.)

SEN. KYL: Sharpening both our opinions, and it's always, therefore, an edifying experience to be with my colleague, Jane.

I'm going to read the notes that I prepared for this. I apologize for that, but I wanted to be exact in what I said.

The test that was performed on January 11th at first did not cause a great deal of comment by our government, which surprised and concerned me. And as a result, I spoke out in late January at a Heritage Foundation event, and since then, there have been more comments, but I'm still concerned that neither the administration nor the Congress has been adequately vocal about the implications of the test and what our response should be.

I think everybody acknowledges now that space is vital to the United States, our national interests – far beyond defense and national security; it's literally the place where much of what happens in the United States gets passed through. Our ATMs, our financial markets, our first responders, the air traffic control system – one can go on and on about all of the things in our society which rely upon a secure space. But of course our national security is the thing that we are focused on here today. And there is no question that satellites and our continued ability to rely upon them are critical to American military superiority.

Unfortunately, the threat to our space security is real and growing, as this Chinese test illustrated. The threat can take many different forms. The threat from China, for example, itself is multifaceted including the missile launched interceptor that was most recently involved – the ground-based lasers, micro-satellites potentially, radio-frequency weapons, space-tracking technologies of course. And other nations undoubtedly also have ASAT capabilities, including Russia, which presumably has maintained the capability that was in existence during a time of the Soviet presence in what is now Russia.

It is difficult to defend against ASAT of the type that the Chinese have recently tested. We have some defenses that can be deployed; there is no question about that. But to say that there is nothing to worry about because we can defend against these is wrong. Warning times can be very short, and hardening of satellites does very little to mitigate against damage when object collide in space traveling the speed that they travel.

So what is the appropriate response? It seems to me that the first – the starting place really for the United States is the policy guidance that has existed – just going back two administrations from the Clinton administration and now the Bush administration – the policy guidance has been good and relatively clear, as illustrated by the recently revised national space policy. What it reaffirms is our – that unfettered space access is vital to our national interests, and that we will defend it if necessary. The best way to defend against attacks on our satellites is to deter them in the first place of course, something that is only possible if we clearly stake out our interests in space and unambiguously declare our intent to defend those interests.

Now, if I have any message to day that is it. The Chinese are very smart. They know what they want, and they are interested in what our response is. Tell them. And if our response is, as I believe it has to be, then let's make it very clear from the outset. And I was concerned that the immediate response to the test, as I said, did not do that. I would much rather be criticized for making unilateral tough statements than suffer the effects of deterrence failure because we left our position unclear and ambiguous.

The national space policy also echoes the Clinton administration position that the current legal regime governing space is inadequate, the policy sensibility opposed in – I'll quote here – "development of new legal regimes or other restrictions that seeks to prohibit or limit U.S. access to or use of space." And I think that is precisely correct. Arms control is obviously not going to work to create stability or security with respect to access.

And review of Chinese writings and doctrine help to make this clear. What is driving the Chinese program is their desire to acquire this capability in response to U.S. reliance on space. I think they think that they have to develop this for their own security, specifically should there be a conflict with the United States involving Chinese interests over Taiwan.

But even if some arms controls advocates were correct that the Chinese earnestly want an arms control treaty for space, it doesn't change the fundamental facts that, if made, such a treaty essentially impossible to negotiate since the time of the carter administration. Just to run through some of these arguments in the event that they need some reiterations.

Base weapons are nearly impossible to define. Negotiations in the late '70s got hung up over the Soviet attempts to define the space shuttle as a space weapon. Their arguments were not absurd actually. The shuttle could oppose to danger to Soviet satellites if they had wanted it to. That only illustrates that the subject of any space arms control agreement is very difficult.

Assuming you could define the universe of space weapons, a ban on them would be unverifiable. This is the most important point. Even intrusive, comprehensive, pre-launch inspectors of satellite payloads would fail would fail to address concerns over ground-base lasers, signal jammers, and other anti-satellite capabilities that never have to be launched at all. It's impossible to verify.

Chinese authors who have written on the subject have specifically emphasized the need to use deception in the development of their ASAT program, and the closed nature of the Chinese political system would make deception relatively easier for them than it would be for us.

The point about arms control generally applies here as well. It can be dangerous in and of itself if during the negotiations the overzealous advocates argue that we can't take any steps to defend ourselves in the interim period, all the while, the opposition continue to develop its capability. And it can lull us into a false sense of security. Like other treaties, you don't need it for the countries that comply, and of course it's no use against those who would cheat.

Finally, assuaging Chinese insecurities would require putting aside either our missile defenses our conventional military superiority on the table for negotiation. Some might consider that an acceptable price to pay, but I would argue that it is far much, too much to give for an agreement that is inherently of dubious value.

Now, our national space policy also emphasizes that the U.S. is committed to develop capabilities, plans and options to ensure freedom of action and space, and if directed, deny such freedom of action to adversaries. This is key, and it's good. And in order to achieve these objectives, it seems to me we need to invest in four key mission areas: one, defensive counter-space. This is protecting friendly satellites through hardening maneuvering, counter-jamming technologies, doing all we can, in other words, to at least provide what defenses we can.

Second, offensive counter-space: denying the adversary the use of space assets to reversible or permanent means. Three and four I think are – there is always a large consensus developed around it – space situational awareness, using sensors and

telescopes to determine what manmade objects are in space, and for what purpose? And four, operationally responsive space, minimizing the costs of an enemy attack through rapid cost-effective replenishment of satellite constellations.

Offensive counter-space tends to generate the most controversy because some see it as weaponizing space. There are a lot of counterarguments to that, but I really don't think that that is the important point here. Future adversaries will be able to track and target American forces using satellites, and I find it inconceivable that in a war with such an adversary, America would refrain from attacking those space assets at the expense of our war fighters. Somehow preserving space as a sanctuary may sound appealing in theory but it would be undefensible in practice.

But let me put most of the emphasis on items and three and four as I indicated because I think we have consensus there, but even in those areas, we're not moving forward with the alacrity that the situation calls for. Space situational awareness and operationally responsive space are both in need of far greater resources and also protection by the Defense Department. Space situational awareness is the sine qua non of effective space policy. We've got to know what our friends and adversaries in space have deployed and why and when an American satellite goes offline, is it due to technical malfunction or attack? Without this information, we can't plan or executive defensive or offensive counter-space missions.

And for reasons that elude me, this budget in the submission this year was cut and major programs, such as the space-based surveillance system and the space fence, which is the next generation of ground lasers, have been pushed out further to the right. On operationally responsive space, another vital program in which everyone should be able to agree we need more focus, this focus is on development of small constellations based on small, relatively cheap and dispersible satellites that can be replenished rapidly, another key factor, through affordable space launch technologies – moving away from traditional American-modeled large, complex, expensive satellites and toward (oars ?) would have a number of salutory effects.

It would raise the requirements and hence the costs for a country like China to develop a military-useful ASAT capability. In fact, it might even deter the development of such a program, which would be a good thing, in the event that the Chinese or some other adversary decided to go ahead, it would minimize the damage that could be done through a single attack or even a combination of strikes. And it would decrease the destabilizing effects of space weapons. If the U.S. could afford to lose a satellite or two without a significant degradation of our war-fighting capability, there would be less incentive to launch a preemptive attack against an adversary's ASAT in the event of a crisis.

Now, in addition to building our domestic capabilities to deter, defend, and respond, this Chinese test has provided a potentially fruitful opportunity for multilateral space security efforts. And I'll just conclude with this. We should be talking to our allies, especially our European allies, the Russians, Israelis, others who have the most to

lose if space becomes a shooting gallery. And they should join us in declaring access to space for peaceful use as a vital national interest with all that that portends.

And second, we should be looking at broadening missile defense cooperation and collaboration to help counter both offensive missiles and missile-born ASATs. I might just mention – a couple weeks ago, Representative Harman and I were in Israel and we saw, again, the Arrow Program developed by the Israelis. They had just had a successful test – I believe it was February 11th – and it illustrated again to us the benefits of cooperation with allies on these kinds of technologies. We need to do more of that in this area as well.

And my final point is DOD has got to get serious about funding space security and protecting the funds, as I said, once allocated. This is going to require more than a simple budget request because there's always a shortage of money and it is idle to borrow from Peter to pay Paul. We've got to create, in my view, a major force program for space similar to how we budget for special operations, so that the funds can be protected from other Air Force priorities in this particular case. And this – by the way, this was one of the key recommendations of the 2001 Rumsfeld commission report, but it's not been successfully implemented.

So this test was a wake up call. It represents an opportunity for us to get more serious. We obviously can't depend on uncontested access to space in the future and I hope that the recommendations I've proposed here are something that we can begin to build on as we move forward into this 21st century. Thank you.

REP. HARMAN: All right, good. Whew.

(Applause.)

MR. LEWIS: Thank you, senator. That was great. Representative Harman?

REP. HARMAN: Thank you, Jim, and good morning everyone. There are a lot of good friends in the audience, many who know a lot more about space policy than I do. I just had an enormously positive reaction to most of what Jon Kyl said – (chuckles) – I'll quibble with a few things. But he –

SEN. KYL: Except for the parts where I was wrong, right?

REP. HARMAN: Yeah, except where he was wrong. But he packed an enormous amount into five minutes. He obviously learned those skills in the House. (Laughter.) Not a typical Senate presentation. And he forgot that when he did serve in the House, we sat very close to each other on the House Armed Services Committee, which was where we first teamed up to do things like try to block Soviet transfers of technology to Iran for its missile industry. We were unsuccessful and the capability that Iran that now has with missiles speaks for itself. That was sadly a failure in the 1990s; I wish we had been more successful.

But we have been a brother-sister act for a long time and we have traveled the Middle East together a number of times and we were very recently in Israel together and it was a fascinating visit. And there is some good news there; it's not all bleak. For example, Israeli and U.S. intelligence capability is much stronger, I would say – not that they were ever weak in that region – but stronger than they used to be. And obviously the tough target and the tough threat is Iran and I was encouraged by some of the conversations that we had.

I also made my third visit – I think it was my third, maybe more – with Jon to see the Arrow Program, which I would recommend to you if you're in the neighborhood. It is really extraordinary how advanced – I think – that missile defense capability is. It's a cost-shared program and it shows the advantages of what Jon said, which is cooperation against shared threats. And I want to stress that – that may be the only slight point of difference, Jon, between you and me.

I also – before I make any substantive remarks – want to say something about John Hamre. I don't know if he's here. I would –

MR. LEWIS: He's up in New York, I think.

REP. HARMAN: He's up in New York? But John's leadership of CSIS, I think, has been very impressive. This is a place I turn to to solve hard problems. This is a hard problem. I had lunch with John a few – about a month ago, I guess – and we were talking about this and then he had this idea that we would come on over and present some opinions about it. But I think the heavy lift is going to have to be done by organizations like this.

And just to comment on John Hamre. In my role – my prior role – as ranking member on the Intelligence Committee, I persuaded the committee to hold a public hearing – I think a first public hearing – on how our intelligence community went wrong on assessing the WMD threat in Iraq. And it was John Hamre in his testimony who used the phrase – which I hadn't heard before, maybe you all have – group-think. And his point was not just our intelligence community, but the intelligence communities around the world were lulled into this shared view that the failure to prove weapons were destroyed was proof they existed. It's a tautology, obviously. And group-think is not a good thing and we need to avoid across the board on policy issues and this is another place where I think we have to be very careful. So I want to commend John for the way he comes at these problems and commend CSIS.

Well, I agree with Jon Kyl that the recent ASAT test poses a serious challenge to America. The test's true significance was not in the debris it created – although this was the single messiest space event ever and this stuff was floating around as our astronauts were getting out to do one of their exploration exercises. This really could have been very harmful. But it does say something serious which we have yet to fully understand – I see Jim nodding so I think he agrees – about China's intentions and capabilities and that

is what we have to fully assess and then design a – by my lights – very careful response against China, but also other countries. Russia has advanced space capability, too. And if we get into some kind of a space race, there may be other countries that emerge. I mean, think the nuclear race. There may be more countries with capability who want to get into this act.

As Jim said, this should not have been a surprise. Last year, the Chinese illuminated a U.S. satellite. They have previously tested these KT1 SLVs. This exercise was successful; those were not. But nonetheless there was evidence that this was going to happen at some point. And then it happened on January 11th and – it's interesting, that date has significant in several ways. But one way it's significant – my chief of staff, John Hess, who's here somewhere pointed out to me – is that the Rumsfeld report – which I still think is the blueprint for what we should be doing, the report on our space vulnerability – was dated January 11th, 2001. So interesting that there we have a symmetry that perhaps was intended. Again, we really don't know.

So what is the significance of this test, other than the fact that it obviously points up our vulnerabilities? And what are our policy options? We're policy makers up here; we're not rocket scientists – or I don't think so, I don't know Jim's background. (Laughter.) But speaking for Kyl and Harmon, we're not rocket scientists and we have to think in sort of broad terms.

I think maybe I had some way to come at this, but I kind of like the way Jon did it, so maybe I'll just go over some of the suggestions he made and give you some of my thoughts. He said we have to focus on defensive counter-space. I agree, absolutely agree. We have to focus on protecting what we have. We also have to focus on space situational awareness. You bet. We also have to focus on operational response in space and the ability to replenish what we lose. Totally agree.

The only place where I might have a shade of difference is offensive counter-space. I think he knew I was going there. It's not that I say never. It's not that I say never. And he carefully floated out that word weaponization, which we all know is a very polarizing word. But my warning would be this: If we polarize this conversation right this minute, not just internationally but domestically – because that word and that concept goes right there – I think we lose the opportunity to perhaps develop better policy. I'm not running to say arms control will fix this mess. I don't think it will; although I'm not saying rule it out. I don't think we should rule it out.

But I am saying how we talk about this has a great relationship to how we solve the problem. And so my friend Kyl is very smart and he's very quiet in the way he presents things. And I listened carefully and he didn't polarize this conversation. But warning from his sister is, let's not polarize this conversation. Let's bring into this conversation a lot of people sitting in this audience, a lot of policy makers around the U.S. who know a lot about this – Don Rumsfeld comes to mind; his report was exceptional. And then internationally, let's talk to our allies and a lot of smart folks internationally, too, about how a shared response that is very careful, but very firm – I got

the point about let's not be ambiguous; let's be unambiguous – but a shared response that is very careful and very firm could be, could be put together.

And so I think I'll leave with that because I think the questions will be very interesting. My bottom line is let's be careful in the language we use and in trying not to polarize the situation because that will, in my view, cut off a lot of the cooperation that would be helpful and a lot of the sharing of – let me try that a different way – a lot of the cooperation that could be helpful and a lot of the coordination and participation that would make our response more effective.

MR. LEWIS: Great, thank you. I thought those were really great comments. In fact, I was sitting up here thinking, you know, I'm not really going to have much to say because they've both covered practically every thing you want. There was one slight difference you saw that Representative Harman pointed out and it's a good question to ask. On the one side, you could say the U.S. really has to depend on itself; it needs to think about how it will conduct military operations in space, and that could include weapons. One of the things I'd note is that a weapon, a space weapon, doesn't have to be in space. Senator Kyl pointed that out; that's one of the problems with making treaties so hard. But Representative Harman pointed it out, too.

Shared response is also attractive. You know, if I wanted to inflame the conversation – I know I've just been instructed not to – you know, you could say, is the U.N. the right place for that shared conversation? Let's not go there. (Laughter.)

SEN. KYL: Go ahead.

MR. LEWIS: But you know, how would we build that? Maybe I'll start with that question. The idea – you can do, when you're a big country, more than one thing at the same time, so we can look at what we need to do on the defense side and we can also look at what we need to do on the diplomatic side. If you two were thinking about what we could do on the diplomatic side, how would you start? What would you do?

SEN. KYL: Well, first I think it's good to talk about these things quietly with your allies and publicly with respect to the bright lines that you want to draw. And I'm not sure what the exact state of cooperation with our allies is at the moment on these things. But it seems to me that Jane Harman is right. If we start from areas in which there is agreement and avoid the more volatile kinds of discussions, surely we can agree that things like space situational awareness and things that I talked about are useful and there are – at least with our best allies – opportunities, it seems to me, for cooperation there.

More and more of our allies are relying more and more on space. I think that both European and Asian allies that rely so much on satellites on space, not just for national security, but for everyday life things that – I'm sure we would be astonished if all the satellites got turned off today, first of all we'd be in the dark here, I suspect, and who knows – but it seems to me that there are quite conversations that can begin with our

allies and we shouldn't be so reticent about the programs that I mentioned in my prepared remarks.

MR. LEWIS: Okay, thank you.

REP. HARMAN: And I totally agree with that. I think there is a lot to build on. And let me just put out there the analogy to Iran. Let me just put it out there. (Chuckles.) Iran, by my lights and I'm sure Jon would agree, is probably the biggest problem we face in the world right now. It is clearly an existential threat to Israel; we were just there, it was all Iran all the time – what are they going to do?, when are they going to do it?, and how do we protect ourselves?

Our policy toward Iran has evolved. It just picked this administration. It was a member of the axis of evil, where there were red lines around it – I don't know that anyone is using that term anymore; I surely hope not – my point being not that it isn't evil but that lumping three countries together I don't think is a productive way to start a conversation. But at any rate, as of now, we're doing a lot better. We have, with a lot of cooperating countries in the world, more than we thought we would have: an economic sanctions regime that is getting some bite. We're cutting off export credits – the world is cutting off export credits – and doing a disinvestment campaign in Iran that is getting the attention of Iran's leadership.

Lo and behold inside Iran there have been recent elections that show that Ahmadinejad isn't as popular as he would like to be and, in some ways – hopefully more ways over more time – there are some openings. That does not mean – Jon and I were talking about this walking into the room – that we should take the military option off the table – military option in general or the U.S.'s option to act unilaterally against Iran off the table. But I'm just saying we have something to gain by the way we're moving, in my view. It's a constructive thing that we are doing. And the analogy here to space is we could, perhaps, start the right conversations and they could lead to better results than if we polarize things now, talk about acting unilaterally now – Jon just put it out there, he didn't say we needed to do it – deliver clear messages, but work cooperatively. And I think we will get further.

SEN. KYL: Jane, another analogy using one of the other former axis, North Korea, people wonder what the Japanese response would be to North Korean further development of nuclear weapons. Well, clearly with the number of Japanese space assets, certainly in the future, the ability of the Chinese to impact those draws the Japanese into the conversation, it seems to be, in a very big way.

REP. HARMAN: I agree.

MR. LEWIS: It's interesting when you think about China's neighbors because Japan might not be the only one concerned. Certainly the Indians – I wonder what they're thinking. Even the Russians, they can't be entirely sanguine about the fact that their big neighbor to the south has just done something that could hurt them. But let me

see if there are any questions in the room. We've got one over there. Do you want to go first? Wait for the – if you could do me two favors, wait for the microphone and please identify yourself.

Q: Colin Clark, Space News. Should there be pursuit of a binding code of conduct with countries such as China similar to the one we had with the Soviets on naval incidents?

SEN. KYL: I am always skeptical of reliance on agreements, especially for the reasons that I stated. If you do everything else you need to do to protect yourself and you can develop an agreement with someone that does no harm, then I guess it's a little like chicken soup. But I wouldn't start with it.

REP. HARMAN: I would do both. I would have the informal private conversations and I would pursue a code of conduct. I would at least postulate that this is a new area – some parts of it are new, I mean, we have been in space for quite some time, but our enormous dependence on space is quite new – and that the rules of the road are not yet developed. And I would try, with the right people, to develop the rules of the road. But I would at the same time be very clear in what would not be acceptable to the United States.

MR. LEWIS: Okay, we have one in the back there. Go ahead. While we're waiting for the microphone, I'll just add one thing that might be interesting to get your views on is, you know, is China ready for that sort of agreement? Are they mature enough to be a – you know, the Soviets we had a long set of experiments with in negotiating. We don't have that track record yet with the Chinese. Is it something can we do? Do you want to wait?

REP. HARMAN: Well, let me – I don't think we can afford to wait. I think this test – which, again, was not the first thing they tried – should focus the mind on the fact that they're going to be quite aggressive here. The world is developing and changing much more rapidly every year. Just think the IT revolution, it's unrecognizable. So space will be unrecognizable in another three to five years and I think we should move fast. I think we just have to get better at the craft of foreign policy. It is very complicated.

We know we have a multi-tiered relationship with China as we do with Russia. And just think about – Jon just mentioned North Korea – China was very helpful with North Korea. And so I'm aware that we were thinking about – this administration – a lot of military-to-military cooperation with China just in recent months. It may have stopped after this test, but nonetheless that's kind of been on our agenda, too. And I think we have to walk and chew gum at the same time and think in very sophisticated ways, as I think the Chinese do.

So my expectations are that if we deal with them as a mature and serious ally/adversary, we might be surprised than things that we could, at the moment, anticipate.

MR. LEWIS: We had one in the back. Go ahead, please.

Q: (Off mike) – unrealistic and more broadly, how would you characterize what the actual goals are of the Chinese military buildup?

SEN. KYL: Well, there are three questions. You'd really have to ask former Secretary Rumsfeld and, after a little while, new Secretary Gates about their assessment of the value. I, you know – as Winston Churchill once said, jaw-jaw is always better than war-war. So it's fine to have these military contacts, but I think that they would say that they were relatively disappointed in the Chinese approach to military context. They tend to descend over the wrong kind of folks based upon what both countries said that they wanted to achieve out of the agreement. So I'm not sure that did a lot of good.

We are concerned about the intentions as well as the capabilities of the Chinese and, as Representative Harman said, you've got to approach this on a multi-level basis. Both countries are sophisticated and we have to be sophisticated in our approach. But what we have seen – and to answer, I think, the number two question is, no, you can't rely upon the Chinese to be transparent. I mean, they're one of the most untransparent – they probably are the most untransparent big important country in the world. And so, no you cannot rely upon transparency or compliance with agreements.

And this is why – I mean, just look at WTO, for example, the change to economic. We promise, we promise if you let us into WTO, we'll do all these things. Well, let's – we better create some milestones because we're really concerned about your ability to comply. There's no way that they can – they've already missed milestones – and there's no way they can comply with the others.

The point is that we have our national interests to protect and while it's good to develop rules of the road type agreements that relate to, you know, what elevation is your satellite going to be and we're going to put ours here, well, we better not put ours in the same exact orbit – you know, that kind of thing is not hard to do. It's when you get to verifiability of things that you're relying upon for your own national security that you've got to be wary about relying strictly on an agreement. And with the Chinese, I would say our relationship is still not there yet.

MR. LEWIS: Did you want to add anything?

REP. HARMAN: I agree.

MR. LEWIS: Okay, great. We have one in the front there. Go ahead, please.

Q: Thank you. Jeff Morris with Aerospace Daily. Senator Kyl mentioned that we have some capability to defend against this, perhaps not comprehensive, but some capability. I would assume MDA is part of that. What's your understanding or what's your read on how effective MDA's current systems might be against something like this? What have you asked them – and this question's for both of you – what have you asked them and what have they told you?

SEN. KYL: I really don't want to get into it. I don't want to talk about what our capabilities are in this area. I think, first of all, half the people in this room know more about it than I do and I just don't think we need to talk about it except to say that we have capabilities that are serious. But to suggest that we can defend against this so it's not a problem is not correct.

REP. HARMAN: I agree. But it's also interesting to see in recent years more cooperation on missile defense. Again, I think that's a good thing. When – you know, the missiles – well, some governments might respect the territorial boundaries of states, but if the whole world is vulnerable to missiles, I think we might approach this again as a multinational problem and get farther with it.

The other comment I'd make is while I do support missile defense, the immediate threat to us, I think, is not from missiles. It is more from an al Qaeda-type attack on us, which is not going to be a missile attack. And I think that we still have a lot of work to do, especially in our homeland on putting strategies in place – strategies that will minimize risks. There's no such thing as a hundred percent protection. I don't think any of you – or I know we wouldn't argue that. But if we're not more strategic about this thing, I think we leave ourselves very vulnerable. And that's where – at least from my two cents – we still need to be focusing.

SEN. KYL: Incidentally, could I just say I think I wasn't quite as clear as I might have been. Our missile defense capabilities are pretty well known right now. I was really thinking about the entire array of defensive capabilities against ASAT.

Q: I was thinking just like a boost phase for MDA systems. (Off mike.)

SEN. KYL: Sure, and by the way I agree with Representative Harmon. The immediate threat is of a different kind of a nuclear attack, for example. And by the way – not to bring up another subject – but we've got to get a lot more serious about advanced research into nuclear detection and dismantlement to deal with that problem. But as our experience with the Israeli Arrow shows on missile defense, you've got to get started and know it's going to take a long, long time. So there you can't wait; and we are not waiting until the threat is right at our doorstep. These things take a long time to develop.

REP. HARMAN: And the subject – if I could just add – of boost phase is clearly something the Israelis have been talking about for a long time. When you just think about it abstractly, if your enemy's trying to attack you and you can block him in his airspace and whatever bad stuff was on the tip of his missile goes off in his airspace,

there's something kind of attractive about that. On the other hand – talk about polarizing subjects – it's one that we have to consider very carefully.

SEN. KYL: I love it.

(Laughter.)

MR. LEWIS: When I think about why this might have been a miscalculation by the Chinese, I do think about the effect it's had on our thinking and other people's thinking about missile defense because you have a really good talking point now about why we need to go ahead and maybe go a little faster, not only here but in other countries that we cooperate with. We had one over there. Go ahead.

Q: (Off mike) – what are those? What bright lines would you draw?

SEN. KYL: The bright red lines to which I refer are those that have already been established, first in the Clinton policy and then in the recently announced Bush policy. We've made it crystal clear that we believe that all countries should have access to space for peaceful purposes and that we will defend our right to that. And that ought to – I mean, it ought to be implicit in that that we reserve the right to take whatever action we deem necessary to protect that and that's where, I think, it needs iteration.

And when the first response from the U.S. State Department to the Chinese test was, well, we think we need to talk to them about their intentions. You know, my first response would be to say, didn't you see what President Clinton and President Bush said? You know, that's our policy. And I mean, the intention about conducting a test to see if you can blow up a satellite seems to me to be fairly clear. So it was not a bright line recitation of U.S. policy.

MR. LEWIS: How about the one – we'll make it easy, do the one next. Please remember to identify yourself.

Q: Paul – (off mike) – Agency. Both of you mentioned cooperation with Israel, but from my understanding, Israel also has a fairly robust cooperation program with China, avionics and things like that – (off mike) – So I wondered about your thoughts on that.

REP. HARMAN: I'll go there. I think Israel's cooperation with China is somewhat problematic. And I think there have been public reports of some actions we have taken that have made that clear to Israel. And I don't think I want to elaborate.

SEN. KYL: Well put, well put.

MR. LEWIS: Okay. In the back, we've got one.

Q: (Off mike.)

SEN. KYL: Well –

REP. HARMAN: Maybe Jim should answer this. (Laughter.)

MR. LEWIS: All right. You know, for one thing I'd say that what the Russians say and what the Russians do is traditionally different. And so the fact that he said that, he saw an opportunity maybe to poke the U.S.; he couldn't resist it, we shouldn't be surprised. That doesn't mean that there isn't within the Russian government, you know, concern about their own military standing in the region. We're not the only people they might have to fight with in some future point. And they know that as well as we do.

So you know, I don't think their ability to influence China is particularly great right now. They like both beating up on the U.S. – it's a popular pastime around the world – but that doesn't mean it's really what they're doing strategically or what they're thinking about and I can't remember if it was Representative Harman or Senator Kyl who said that the Russians were the first people that really put weapons in space to think about militarizing space and they probably haven't forgotten how to do that. In fact, it wouldn't surprise me if some of the stuff they built a while ago is still laying around in crates somewhere ready for us.

So you know, I would discount public statements and look more toward other things to get a hint of what they're actually doing. I don't – We're getting close, but we have one in the back there. And then I see Arnaud in the front.

Q: (Off mike) – of strength. Congressmen and senators can – (unintelligible) – and in which point the so-called China fantasy would, yeah – this kind of paradigm would have a turning point on the Hill? Thank you.

REP. HARMAN: You want to go ahead?

SEN. KYL: First of all, I haven't talked to our military leaders to understand what the threat of a carrier would represent to the United States. The Chinese have tended to focus more on asymmetrical warfare doctrine. And, I think, very cleverly, very shrewdly, they've identified our points of vulnerability in conducting a defense of Taiwan, for example, and they've gone right to those points of vulnerability with things like very quiet diesel submarines that would make it difficult for our large carriers to operate in the constricted Straits of Taiwan, for example. Focusing on our satellites to knock out our ability to see and hear and direct and communicate – those are the kind of advantages that don't require huge investments and yet could be very crippling of U.S. military activity, at least in the sphere that the Chinese wish to operate in right now.

My guess would be that the first war that might be fought between us – and I, please understand, I hate to even put it in that way – but if everything fell apart and worse came to worst and there really, really were a military conflict between the United States and China, I think the assumption is it would be over Taiwan and it would be in that area.

I think the Chinese aircraft capability of reaching U.S. military assets in the region from land would probably be pretty adequate and that having a carrier which is ordinarily used to project force long distances would be less useful in that situation.

So again, I'd have to talk to our military folks to see what kind of a threat that they think that would pose. It almost suggests to me that they may be preparing to make a big mistake, which is to move out of an area of doctrine which could serve them very, very well and be very detrimental to the United States into the more prestige kind of weaponry that can cost a lot of money and not necessarily fulfill your immediate doctrinal requirements.

REP. HARMAN: If I could piggyback on that, because I think there's an additional point to make. The Chinese just increased, so I read, their expenditures on defense by about 18 or 19 percent. That's kind of a large number, but it was building on a kind of small number. Everyone knows that our defense budget is more than all the defense budgets of everyone else in the world added together and maybe even more than that. What Jon is talking about also applies to us.

I applauded Secretary Rumsfeld in his effort to transform our military budget. I don't think he executed well; he alienated most of the people he dealt with and he also used Iraq as a test case, I think, for a new form of military force projection which didn't fit it, and obviously we're suffering with that, in my view. But nonetheless we have to transform to a different paradigm. We have to. And it may be that a lot of our legacy programs and our big platforms – and I say this as someone who represents surely the intelligence satellite center of the universe in my district – in southern California, the L.A. Air Force base space and missiles command is there and most of the satellite manufacture for U.S. military satellites is there.

But nonetheless, we have to think anew, too. Maybe the Chinese are going in the wrong direction. But maybe we're not going in the right direction. And as I look at these huge numbers for our military budget for '08, at least I tried the other day – I got my head shot off – to raise the question, are we spending this money correctly? And I do think we have to ask that question and answer it, hopefully.

MR. LEWIS: I wonder if a carrier just wouldn't be a really big target. But let's let Arnaud have the last question.

ARNAUD DE BORCHGRAVE: Thank you. Arnaud de Borchgrave, CSIS. I think Jon Kyl just supplied the answer to my question, which was basically how utterly dependent we've become on space for war fighting capabilities in Afghanistan and Iraq and it seems to me the message is quite clear: Watch out if you try to do something about Taiwan in the future. (Laughter.)

SEN. KYL: You know, may I quickly respond? That probably sums up – if I took five, or six, or seven minutes, that's the one sentence summary, I think, that ought to be taken from this session this morning: our utter dependence on space for everything

that we do and the vulnerability of that and the ways in which that therefore could affect our ability to respond to crises around the world. We better find ways to protect not only our ability to be peaceful in space, but other countries' as well. And that sums it up very well.

REP. HARMAN: Well, almost. (Laughter.)

SEN. KYL: Naturally Jane has the last word. (Laughter.)

REP. HARMAN: Absolutely. My husband should be here to hear that conversation. But what I would add to that is the importance of accurate and actionable intelligence because our mode cannot be reactive. Hopefully, it has to be proactive. And if we can figure out – and we do not know well enough – what Chinese intentions are or Russian intentions are in the future, or Indian intentions and so forth, that will be very helpful in fashioning good policy. And my last sentence is how interdependent the world is and how much better that policy could be, could be, if we worked with like-minded countries and allies and thinkers on it.

MR. LEWIS: Great. I could keep them here all day. I expect you could as well. But we will have to let them get back to their jobs on the Hill. So I want you to join me in thanking Senator Kyl and Representative Harman. (Applause.)

(END)