

# **Center for Strategic and International Studies**

## **The Future of Alliances and Extended Nuclear Deterrence**

### **“Panel 2: Nuclear Deterrence and the Asia-Pacific Alliances: Sustaining the U.S. Nuclear Umbrella in the Face of Rising Challenges”**

#### **Panel Chaired By:**

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ELAINE BUNN: So the last panel focused on what I think has been an inflection point in NATO over the last several years. And there has also, I would argue, been an inflection point with our allies particularly in Northeast Asia, Japan and South Korea.

It's not surprising that we're at an inflection point. First, there's the fact that our allies in Northeast Asia live in a dangerous neighborhood. Japan and South Korea may have – may prioritize the threats somewhat differently, but I think both North Korea and China make it a challenging neighborhood.

North Korea, goodness, fourth and fifth nuclear tests last year; depending on how you count, certain dozen missile tests last year. Kind of the realization that nuclear weapons are not just a bargaining chip for Kim Jong-un, that he's really – he's making an intense effort to develop a capability, a nuclear weapons deliverable capability to threaten our allies in the region, our forces in the region, Guam, and even the U.S.

China, a different situation but a more assertive China: its actions in the South China Sea, the build-up of islands, the militarization of some of those islands; its Coast Guard going into others' waters; its flights – its overflights into airspace, particularly Japanese airspace, which has sent many of the fighters – the Japanese fighter aircraft in Okinawa scrambling at a much-increased rate. Then, of course, for South Korea, China does not rise to the same – they don't perceive them as the same kind of threat, I think, that Japan does. But we have seen in the past year or so that South Korea has been – annoyed – pushing back on China's continued rhetoric against U.S. missile defense deployments in South Korea given the North Korean missile threat, the THAAD system, and that's a system that now South Korea is eager to have as soon as possible.

So I think if you combine the dangerous neighborhood that these two allies, in particular, live in and you combine that with sort of the anxiousness about U.S. policy, given a variety of statements, not all consistent, during our recent election campaign and into the new administration, and I think you have a time that's ripe for looking anew at our alliances in Asia.

You know, it's always the case that as change comes in alliances we have to constantly reassess. We have to reassess with our allies, with each of our allies: who are we worried about; what are we worried about they're doing? How do we deal with that? What is it that you, the ally, is going to do? What is it that you're going to rely on the U.S. to do, especially at the high-end of the spectrum, nuclear threats? And then, what is it that we're going to do together? It might be on conventional forces; it might be on missile defense – various things that we do together.

The other thing that, I think, makes Asia alliances and extended deterrence ripe for reassessing is a long-term factor, and that's that extended deterrence is amazing. It's amazing from both sides – from the extender and the extender. You know, you have two countries in Asia – unlike in NATO, our alliances are bilateral. We often encourage allies to do trilateral cooperation or broader cooperation, but, in essence, our alliances in Asia are bilateral. And so you have two sovereign countries – the U.S. and Japan, U.S.-Korea, even U.S.-Australia – who have chosen to be in a relationship. You have tied yourselves together in certain ways, including in life and death ways, and it's amazing that a sovereign country gives up a little bit of their own latitude to rely on another country, especially for very high-end situations. And it's amazing that another country, in this case the U.S., agrees to take on that risk and responsibility.

So it is amazing to the point sometimes where allies like – well, if we look back a ways, we can look at French, like Galois (sp) and Boufra (ph) and General de Gaulle, who thought it was amazing to the point of being incredible. Yes, and now we have a nuclear France. But I think, because of this very amazing relationship between allies and extended deterrence, it is not surprising that our allies need constant reassurance. Of course they do. It's not surprising that there's – there's a long history with allies, this subtext in many, many conversations of: Would you really trade Seoul for Seattle? Would you really trade Los Angeles for Tokyo? We can apply it in the European – it often was applied in the NATO context. But in Asia, dangerous neighborhood, uncertainty about where the U.S. is going, and the nature of extended deterrence all make it very important, I think, for us to be relooking this now.

We've got a great panel to do that. We've got – we've got Michael Schiffer for the U.S. view. Michael is a senior adviser and counselor for the Senate Foreign Relations Committee now, but he's well-known as an Asian expert, both previous stints on FSRC but also, I think, very importantly, as the deputy assistant secretary of Defense for Northeast Asia from 2009 to 2012, and in that role, Michael, along with Brad Roberts, they set the foundation for extended deterrence dialogues with Japan and Korea. We had not had those before – formal, extended deterrence dialogues – with those allies, who whom we've had this amazing relationship. We've had them since 1967 in NATO, but not in Northeast Asia. It was time. It was clearly time. Often, in my last job, I very much appreciated the foundation that you and Brad set in these dialogues, and we've just been building on it ever since. I'll be very interested to hear this assessment of where we are now and what we need to do going forward.

We've got Andrew Shearer, who's now here at CSIS – an Australian here at CSIS, for about a year now, and I think very relevant to today's panel discussion is the fact that he is directing a project on alliances in U.S. leadership. Before that, he had some minor jobs as national security adviser to a couple of Australian prime ministers, to John Howard and Tony Abbot, and then before that – what, 25 years of work in intelligence, national security diplomacy, alliance management. Actually, this theme of these long years of experience –

ANDREW SHEARER: We're old, Mike.

MS. BUNN: – I look at the last panel and this panel, I think we're up to about two and a half centuries, maybe, of experience on alliance issues. It's – I don't know if that's good or bad. (Laughter.)

And then, we have Tetsuo Kotani, who is a good colleague, and I guess – I last saw you in July when we were at a conference at JIIA, at the Japan International Institute for International Affairs. He was a visiting fellow here at CSIS, so I assume you're very much at home here. He's been a professor, a visiting scholar in a number of countries, and his focus is really on both maritime issues and U.S.-Japan alliance issues.

So, with that depth of experience, I think we'll start with Michael and get his views from the U.S. perspective.

MICHAEL SCHIFFER: Sure, thank you, and my apologies in advance for my scratchy voice. It's both an ever-present condition, but it gets exacerbated when I'm nursing a cold as I am now so I apologize for that.

I guess, you know, I would start by offering the being old but nonetheless true observation, that reassurance is actually a lot more difficult than deterrence. Right? For deterrence, your adversary can

count up what you've got, assess risk, and decide whether or not they are, in fact, deterred. Reassurance requires a certain degree of alchemy, as you try to convince an ally, a partner, to take a leap of faith, to believe you when you gave into their eyes and tell them that you will trade Los Angeles for Seoul, and that's not a particularly easy thing to do.

At the same time, as Elaine pointed to, you know, we are in a period now with a rapidly changing security environment in East Asia – well, globally – but a rapidly changing security environment in Asia, where reassurance is at a real premium. We have new challenges in North Korea. We have a rising great power in China. And we also have new dimensions of competition, like cyber, that raise all sorts of interesting questions for cross-domain deterrence that we've not previously had to deal with.

So there is a – you know, there's a science side of the equation, which is necessary but not sufficient and relatively straight forward, and then, there's the theological, spiritual component of alliance management and reassurance, which is absolutely essential and without which the rest of the edifice, you know, quickly comes crashing down.

You know, on the first part – and I think this was discussed at the previous panel as well, right? I mean, there's a rather straight forward combination of force posture, force presence, capability – a capability mix that you need to be able to possess and demonstrate to your allies and partners that you possess in order to be able to get across that threshold of – you know, of necessary. You've got to be able to – you have to possess the capabilities if you're extending your deterrence to your allies, you have to possess the capabilities to actually win the fight, and so there is a first step of making sure that, you know, that capability mix is there – that mix of conventional, nuclear, ISR strike – and that the quantity and the quality is evolving as the threat evolves, and the quantity and the quality is evolving as the threat evolves in a way that your allies and your partners can appreciate.

You know, when we conducted the Nuclear Posture Review in 2010, for example, there was – or 2009-2010 – there was intense consultation with allies and partners. And that was one of the inputs for establishing the extended deterrence dialogues with Japan and with the Republic of North Korea, was the necessity of having a mechanism that would allow us to have the sorts of conversations that were necessary, so that as we considered what that mix of capabilities would look like for us, we were able to do so in a way that provided reassurance to our – to our allies that we weren't going to be leaving them out of the mix.

You know, and the one sort of easy and obvious example that's had, you know, lots of discussion from that set of engagements was how we dealt with TLAM with the – with the Japanese, who were extremely concerned about the implications of the withdrawal of the Tomahawk. And we were able to walk them through very, very carefully what the mix of forces – strategic forces, forward-deployed bomber – fighter bombers – were that were going to be able that would fill that gap so that they, at the end of that process, felt reassured, you know, from a purely scientific and technical perspective, that we had – that we had all the – all the bases covered.

You know, the other part of the equation, though, moving from, you know, what are – what does the capability mix look like to how do you actually convince somebody that you love them, that's a much more difficult proposition. It entails a mix of dialogue, discussion, high-level visits, right. And it's significant that Secretary Mattis, his first visit as secretary is to Japan and Korea, and I'm confident that a large portion of his week is being spent delivering those reassurance messages in Tokyo and Seoul. It requires rather intensive discussions to make sure that you have a shared threat assessment;

that you see the world – or at least you understand the world through the eyes of your allies and your partners, and that’s also a tricky proposition. The reality, again, as Elaine touched on earlier, is that there are going to be differences in how one assesses risk and the willingness that different countries, even close allies – the willingness that you’re going to have to take on risk.

You know, as we contemplate how one deals with the A2/AD threats coming – the A2/AD challenge coming from China, as it – as they develop additional capabilities, it’s one thing to be inside the area that is to be denied; it’s an entirely different thing to be outside the area that is to be denied. And being able to have a qualitative conversation, where you are able to through iterative play, convince your allies and partners that even though you may have a different assessment of risk, even though you may have a different threshold for willingness to accept certain risks, that you are, in fact, still going to be there with them shoulder to shoulder; that you are willing to trade Los Angeles for Seoul if need be requires a lot of work and a lot of hand holding, and it requires efforts that are tailored to different strategic cultures and the different political requirements of your allies.

You know, having extended deterrence conversation with our Australian friends is very, very different than the extended deterrence dialogues that we have with our Japanese and our Korean friends. They pretty much all involve heavy drinking, but other than that – (laughter) – they are very, very different because we’re dealing with different histories, different cultures, different domestic political cross-pressures, all of which need to be taken into account as you figure out how to dial up and dial down for the conversation that you’re having.

There’s also an important aspect, in all of this, in the political statements and the declaratory policy that is offered, and a demonstrated willingness and commitment to make good on those – you know, on those political statements, through visible and tangible deployments of assets that, you know, make a reality out of what would otherwise be words on paper or words that flowed into the electronic ether. And it’s critically important to latch – you know, latch those pieces together. Allies, partners, especially when they’re placing their lives in your hands – the chips on the table that you’re betting with are their chips – pay extraordinary close attention to, you know, where the commas move about in the sentences. They pay extraordinary close attention, as they should, to any deviation between a stated commitment and the actions that you take in the field. I mean, that’s why we’ve had so many different go-arounds with our Japanese friends, for example, about how we interpret Article V of the U.S.-Japan Mutual Defense Treaty and getting the catechism down exactly right, and it’s changed and moved as the challenges that the alliance faces have moved. It has required an incredibly intense effort on behalf of American policymakers and Japanese policymakers alike.

I guess the last sort of comment that I’ll make in wrapping up is that at the end of the day all of these issues then get embedded in the deeper and broader perception of the political viability of the strategy that your nation is pursuing, right? And that’s why, capabilities aside – sort of, defense budget in a narrow sense, aside – all of the questions that relate to how reliable and how stable a partner the United States is; how reliable, how stable our political process is get – leach into these extended deterrence dialogues in ways that are not always anticipated and in ways that can make navigating through this – this process, you know, very, very complicated. If we’re able to present the political relationship that exists between the United States and Japan, the United States and Korea, the United States and Australia, others, as being a relationship that has a healthy political dimension, because our own domestic politics and the sources of our own national strength are healthy, that makes a lot of things possible and that creates all sorts of running room in how you play alliance relations and how you play reassurance. If there are doubts and there are questions about the health of the body politic here in the United States and then what that, in turn, implies for our engagement and our commitment

to the region, and our engagement and commitment to and with our allies, and the political dimension of that relationship, then every shutter, every bump has the potential to become a crisis.

MS. BUNN: Thanks, Mike.

I always find the Australian view on these issues a really interesting one because it is, as Michael said, unlike Japan and South Korea, where it's very present in your neighborhood, you have this geographic blessing of being a little farther away and that means – I often find that Australia takes a step back, a broader vision of what's going on. So I'm interested to hear your thoughts about this.

MR. SHEARER: Well, thanks, Elaine.

It's not such a luxury when you're trekking to and fro across that rather large ocean, but we do still have a measure of strategic depth that our Japanese and South Korean friends don't have. And thanks to Rebecca and the planning team; I think this a really well-timed initiative, as you can tell from the fact you've got a full room. So well done for putting it together.

I've been asked to talk a little bit about how important – or how essential really extended nuclear deterrence is in sustaining the Asia-Pacific alliance architecture, and the short form of my answer is for about two decades after 1991, not so much. Today, the threat is very different in the Asia-Pacific – not least because it's more diverse – there's at least two major nuclear threats in the region – but also because the alliance architecture is so different, the hub-and-spokes model rather than the – (audio break) – they went down a different path.

North Korea, obviously, as Elaine said, the nuclear and missile developments there are particularly concerning, and I think the (spade ?) – the sort of intensification of the (spade ?) of what North Korea is doing has put everyone on notice. The other thing to say about North Korea is I think there's a very – you know, we tend to think that it's a little wacky and a big out there and not terribly rational, but if you look closely I think you can see a clear military strategy there, which has nuclear weapons right at its center in terms of its ability to blackmail the United States and its allies, and in particular, to decouple the United States and its allies, including increasingly by putting the U.S. homeland at risk.

China, if anything, is a more complex problem, again. It's pursuing a very sophisticated integrated set of diplomatic and military strategies, which seek to weaken U.S. alliances over time and again, ultimately, I would argue, to sever those alliances, and it's using all the instruments of national power in a concerted way to pursue that objective. You can see it in its coercive gray zone behavior; we've talked a bit about that in previous panel. What it's doing in the South China Sea using Coast Guard vessels and the so-called fishing militia; what it's doing in the East China Sea very aggressively; and right now what's playing out with South Korea and THAAD, where you're seeing Beijing reach into the sort of economic toolkit and really put in place quite – a set of quite significant economic threats and levers against South Korea to get it to change a decision, which is obviously vital to Seoul's national interest.

Then the whole set of anti-access/area-denial capabilities, which, as you all know, a design to blunt the United States' ability to protect power into the Western Pacific and in doing so to diminish the confidence of America's allies that the United States will be there. And then, finally, the modernization of China's own strategic weapons. Just recently, reports of, I think, a MIRV test in the last month, but an expansion and a modernization of Chinese nuclear capabilities, including inherently

destabilizing capabilities and a long-standing refusal on Beijing's part to enter a formal dialogue with the U.S. on strategic stability. So, you know, there's plenty there to be concerned about.

When it comes to allies, I just want to highlight two things that have come up already, but these are both absolutely fundamental to assuring allies and, I think, the increasingly difficult, frankly, task of assuring your allies.

The first one is that allies care deeply about American resolve. It's not a secret, but your allies around the Asia-Pacific watch minutely not only what you say, but what you do and not only in the Asia-Pacific. So the responses of the United States and its European allies to Russian aggression in Eastern Europe are poured over in Asian capitals; likewise the Syrian red line did not go unnoticed in Asian capitals. It's great that Secretary Mattis is going straight off the bat to Japan and South Korea, and his testimony was very solid on the role of alliances and nuclear deterrence. But, you know, in fairness, it has to be said there have been some other signals that have also been noticed, and the key question, I guess, of the secretaries in Tokyo and Seoul is going to be: Is he really speaking for the U.S. president? That's the fundamental question that your allies will have.

And in a spirit of bipartisanship, I'd also have to observe that the Obama Administration's outgoing flirtation with no first use was, again, I think, at a very sort of sensitive and fluid time an unhelpful signal when it comes to the assurance of your allies; perhaps not such a remarkable thing then. The recent polling shows that public opinion in South Korea supports by somewhere between 50 and 70 percent of the proposition that South Korea should think about getting its own nuclear weapons. I don't think you would have got a result like that three, four, five years ago. And even in Australia we've had one late former Australian prime minister and one still living former Australian prime minister just recently come out and say that, perhaps in light of political developments here in the United States that it's time that Australia reassessed its alliance. So this is not some sort of abstract problem.

Then, when it comes to capabilities, we also care deeply about the size and the shape of the U.S. arsenal, and perhaps you're surprised to hear, but Australians do think about whether the U.S. is retaining a rough parity with Russia's strategic forces. We ponder the question whether you're still able to deter Russia and China at the same time. We hope deeply that you're covering off the prospect of a Chinese sprint to parity, and also that you are thinking about forward-deployable weapons systems in our region for deterrence and, if needed, for defense.

I've got a shopping list a little like my good friend Frank Miller's. I'll run through it very quickly. But I think the heart of this – three propositions. One, we shouldn't just let the Chinese off the hook on this question of strategic dialogue. I think that's incredibly important, and we should keep pressing on that – all of us, the U.S. and its allies. But what we need fundamentally is a comprehensive deterrence and war fighting strategy for the region; strong declaratory policy that's been made clear, and including very forthright commitments to allies. Solid political alliances, the foundation here – I mean, if the alliances aren't on stable foundations, then it's very hard to develop the shared sense of threat and the shared responses needed to deter the threat. It's an unfortunate facet of U.S. policy towards North Asia that it seems very hard to have a good, strong alliance with Japan and South Korea at the same time, the Japan one going very strongly. I think, at least, a question mark over the South Korean alliance because of the political uncertainty there and the prospect of elections next year. So that's absolutely fundamental.

Maintaining credible conventional capabilities in the region and doing what we can to maintain that capability edge, which is, frankly, being quite rapidly eaten into by Chinese military modernization – I don't know if the rebalance is still going to be called a rebalance, but we like the sort of broad idea of high end U.S. capabilities being deployed to the region to continue, bearing in mind all the other threats and challenges that you face.

The third offset – again, it may change in name – but the idea of capabilities to counter this anti-access strategy are vitally important for us. I think we're going to also need to look to allies to step up their contributions. President Trump has a point here. Australia is spending somewhere around 1.5 percent of GDP, but there is a strong commitment to increase that to the sort of NATO 2 percent. Japan is stepping up. South Korea is, too. But frankly, in all of those cases, it's from a pretty low baseline.

I think even more important than that point is the need to integrate and ensure our capabilities are much more interoperable. We're sort of nibbling around the edges of this, but we really need – it's time to take the plunge, because if we're much more networked, the United States and its high-end partners – particularly Japan, Korea, Australia, maybe others over time – that in itself will have a really powerful deterrent effect. We need to look again at conventional strike in the region, including increasingly long-range strike. I won't dwell on that. There's the interesting question there of a role for allies in conventional strike. In particular, Japan is looking at that, but Australia's 2016 defense white paper also starts to broach the question of Australia acquiring capabilities in that area and how we integrate those into a sensible U.S.-led regional strategy. And then finally, missile defense, just incredibly important both in the regional context and in terms of defending the U.S. homeland because of that threat of decoupling being pursued by North Korea and also China.

And then, just to end it here, the nuclear component: modernization, incredibly important; deployable weapons. Frank went through the list, again, very eloquently. But all of those things are necessary to provide that second vital component, which is – which is U.S. capability that your allies are looking for.

MS. BUNN: Thank you, Andrew. You don't – you didn't fail me.

Tetsuo, from a Japanese point of view, we want to hear about how are you looking at extended deterrence and assurance in Northeast Asia.

TETSUO KOTANI: OK, thank you very much. I'm happy to represent the frontline state in a dangerous neighborhood of Northeast Asia.

First of all, given the growing North Korean nuclear and missile developments, and also the Chinese modernization of nuclear forces and the growing – the A2AD capabilities, I think the U.S.-Japan alliance has been facing lots of challenges. One challenge is the challenges associated with the decoupling given the North Korean and Chinese longer-range capabilities, and the other challenge is associated with stability-instability paradox, particularly in the case of North Korea. And perhaps this paradox is less relevant to China. I think China's assertiveness is more driven by their confidence in their A2AD capabilities. So we are facing lots of challenges.

But at the same time, I think at the end of the Obama administration the alliance is in the best shape ever. As we have discussed, Japan-U.S. now conducts the extended deterrence dialogue, and we are now integrating our operation based on the revised bilateral defense cooperation guidelines, which

is endorsed by Japanese national security – (inaudible). So, for example, now Japan can provide asset protection for U.S. missile defense forces, which will ensure the extended deterrence. So I think we are in the very right directions.

And plus, the – Prime Minister Abe and President Obama demonstrated the apologies – the reconciliation with the policies. President Obama visited Hiroshima. Prime Minister Abe visited Pearl Harbor. And by doing so, we demonstrated the alliance solidarity. So we are now in the best shape.

But given the new incoming administration of Mr. Trump, I think we are facing different challenges, and this challenge comes from Mr. Trump's behavior, which is unpredictable, and his transactional attitude. And the recent Japanese public opinion poll shows a majority of Japanese people feel that the U.S.-Japan relationship will become more difficult in coming years. So we are already feeling anxiety about the future of the alliance.

North Korea, we have different challenges now. First of all, there's a growing concern in Tokyo that the new administration might overreact to a North Korean provocation, and that may trigger a war in the Korean Peninsula. But on the other hand, there's a growing concern about possible bilateral talks between U.S. and North Korea over the head of Japan and South Korea.

And on China, in the East China Sea, Japan is facing a daily challenge from China in the gray zone area without crossing the military threshold. And this issue is not the exchange of Tokyo and Los Angeles. This is the exchange of uninhabited island and Los Angeles. So we need a U.S. commitment to defend the Senkaku Islands. And now that President Obama made that pledge as president – so this is a minimum requirement for the new president – so we will see whether Mr. Trump will repeat what President Obama said during his meeting with Prime Minister Abe next week. Of course, Secretary Mattis' visit to Tokyo and Seoul should be reassuring, but I think we need the presidential commitment.

And in the South China Sea, we face a Chinese militarization challenge. And South China Sea is very important for Japan, not only for the freedom of commerce and freedom of navigation, but from Japanese point of view, South China Sea is also critical in terms of extended deterrence because of the Chinese SSBM program. Over the longer term, I think Japan will – increasingly concerned about Chinese SSBM based in the South China Sea. But again, there's a growing concern in Tokyo what will be Mr. Trump's South China Sea policy. Given Mr. Tillerson's confirmation hearing, that the U.S. may deny the Chinese access to the artificial islands, we don't know what he means and what Mr. Trump would do in the South China Sea. If that is another, you know, overreaction to the Chinese provocation, that would be – you know, destabilize that region.

And there's another concern, which is about Taiwan and the one China policy. My conversation with Mr. Trump's advisers indicate they are – they don't think they are changing the U.S. traditional one China policy. U.S. has never accepted the Beijing – Beijing's interpretation of one China policy, which is true. But when the president-elect refers to Ms. Tsai Ing-wen as Taiwanese president, it is already beyond the traditional America one China policy. But they don't see it that way, and I think I worry that the new administration may underestimate the sensitivity of this issue to Beijing. So, if Beijing reacts harshly on this issue, that may destabilize the region as a whole. That is not the Japanese interest.

So I think the basic fundamental challenge is not about the U.S. capabilities in this region, but it's more about the U.S. intention to use those capabilities, and I think Mr. Trump's understanding of

alliance as investment, when the alliance is an interest. So I think what Japan has to do at this moment is to make sure the alliance is an insurance for both Tokyo and Washington, and that is why Prime Minister Abe is eager to meet Mr. Trump as early as possible. There's already criticism against Mr. Abe when the Europeans and the other leaders are criticizing Mr. Trump's for example immigration policy. But Mr. Abe refrains from criticizing Mr. Trump in public. Why? Because we don't have the luxury of criticizing our ally in public, because of our, you know, sense of threat from North Korea and China. So I think it is very much important for Tokyo and Washington to reaffirm the importance of the alliance as soon as possible.

MS. BUNN: Tetsuo, thank you as always. Very succinct and on point.

I want to give time for audience Qs and As, but first I'm going to – while you're thinking of your Qs and As and you're getting microphones ready, last panel said we need to do more explaining and that maybe we need to get out of our bubble echo chamber talking to each other about things nuclear and about extended deterrence and so forth. If you had – if you're in an elevator with an influential leader who might be skeptical of alliances and, you know, in a kind of a what's in it for us mode and you – what would be your elevator speech? I assume all of you think that alliances are important. That comes out in your comments. What would be your elevator speech about why it's in U.S. interests to have alliances in Asia?

MR. SCHIFFER: Well, I mean, I think as – you know, you put your finger on it, which is the pitch has to be, particularly in this political environment that, you know, we don't – we are not engaged in these alliances – and whether it's in Europe or in Asia – as a matter of altruism. We're engaged in these alliances because it is profoundly in our interests. If we're – if we intend to safeguard our own security, extend our values and assure prosperity for our nation, these alliances are absolutely essential for creating the environment that allows us to do that. I mean, it's – you know, you can risk going a little too far in, you know, putting it into an entirely instrumental mode, but I mean – but that is – that is the reality. And when you go through any score sheet, by any measure that you may choose, the United States pursuing its policy interests, pursuing its national interests through alliance architecture is more efficient, less – you know, less costly, more effective. I mean, it's pretty much as simple as that.

MS. BUNN: Andrew, you're on the next elevator. What do you add?

MR. SHEARER: My friend Tom Mahnken had this great way of putting this the other day, which was to just imagine from a moment none of those alliances – that you wake up in the morning and they're all gone and the United States has to deal with ISIL – which the president says is his top priority – it has to deal with Russia, it has to deal with China, it has to deal with Iran, et cetera, et cetera, et cetera. I mean, good luck.

The other – the other point I'd make is that you have tried this before. It didn't work out very well. It worked out really badly. There's this great Dean Acheson quote which is basically the best way to protect yourself is to not to sit at home in a rocking chair with a loaded shotgun across your knees waiting for them to come. And it's exactly right. What do we do? We police. We try to bring prosperity to our neighborhood. We light the streets, et cetera, et cetera. That's why alliances matter.

MS. BUNN: Tetsuo?

MR. KOTANI: Well, I think, you know, there's been kind of a tradition for Japanese prime ministers before meeting a new U.S. president. They visit Asian countries first. And in the past, this

visit was to make sure that the Japan will support U.S.-Asia policy. But at the turn of this year, Prime Minister Abe visited the Philippines, Vietnam and Australia, and I think the fundamental goal was to make sure that the Japan will continue to work to preserve the rules-based international order and to reassure the other Asian countries. And I think this is also to send a message to Mr. Trump that the – to maintain the peace and stability, you know, we need to work together. I'm not sure whether this kind of effort will produce a positive outcome, but I think the Japan has to do – to make sure that the existing rules-based order should be maintained.

MS. BUNN: Thank you.

Well, let's take some questions from the audience. We've got one back there. Right there next to you, and then we'll take another.

Q: Yes, Jim Przystup from National Defense University.

Kotani-san, you made the point, looking at the South China Sea, concern about U.S. overreaction. You could also make the case that for the past four years our policy was one of underreaction, that we'd issue a demarche, the Chinese would build. We'd issue a demarche and the Chinese would build. So the question is, what's the sweet spot look like, from a Japanese or an Asian-Pacific perspective?

MR. KOTANI: Well, thanks, Jim. Yes, you know, as a purely private scholar, I think – I think I can say when the U.S. started the freedom of navigation operation in 2015, the general sense in Tokyo was it was too little, too late. I think that's the general mood in Tokyo. But at the same time, Japan is not so much waiting to play a role in the South China Sea. And as I said, there's a growing concern about the U.S. overreaction in the South China Sea. So, you know, I don't have a clear answer, but I think we have to, you know, make a good balance of, you know, alliance coordination and communication with Chinese with regard to the South China Sea. And I think it's now time to have a serious dialogue between the Americans and Japanese, what would be the desirable policy of the alliance and also for other regional countries.

MS. BUNN: Over here.

I would note, picking up on something you said, Michael – I may be putting words in your mouth – the implementation part of alliances and trying to find the goldilocks solution, the not too hot, not too gold, it's just right, that is one of the hard parts of all this.

Q: Hello. My name's Larry Cox. I work for Los Alamos National Lab, but I'm here as a private citizen, so anything I say you can attribute to me, not that.

In the last two weeks, we've got the new administration. And for both panels, essentially two words out of Donald Trump's mouth made the whole concept of alliances seem difficult, and those were "America first." And especially since we have two of our allies here, Australia and China –

MS. BUNN: Japan.

Q: – I was wondering what they think about how much more complicated that makes maintaining alliances and the uncertainty of them.

MS. BUNN: So Australia, then Japan.

MR. SHEARER: There's no doubt that there's a lot of anxiety and uncertainty out there. And I've actually been doing a lot of media back home, trying to calm everything down. One of our former ambassadors was on the front page of our major newspaper saying that Australians should have a lie down, a Bex and basically chill – a Bex, by the way, is like a headache tablet. Everyone should just calm down.

You know, the America first thing, it depends. It depends if that's – if that's a very, in my view, ill-advised given the history, political slogan to tell a particular segment of the American public that he feels their pain – right? – and that – I mean, none of us on this panel would say we wouldn't put our first country – our own country first, right? I mean, that's not an exceptionable proposition. But that term is freighted with so many other negative connotations that it does worry us. It – you know, the U.S. presence and U.S. strategy in Asia has rested on a commitment to – for institutions and open markets and forward deployed military presence and alliances. If that's not the case now going forward, that's a very different world for us, and we need to be told that. But if you look at what Secretary Mattis is saying, the world looks pretty much the same – scarier, but, you know, the broad outlines are recognizable. So it depends. I'm sorry I can't peel through the veil further.

Q: Kind of what I was expecting.

MS. BUNN: Tetsuo?

MR. KOTANI: Well, as I said, the primary concern is seems like President Trump sees alliance as an investment rather than insurance, and his remarks about Japan was sometimes negative during the campaign. You know, he said Japan should pay more and Japan may be able to go nuclear. And, you know, more recently his remarks about Japan is more critical about Japan's trade practice and monetary “manipulating” issues. Those negative remarks are very much worrisome, of course, from Japanese point of view. But I think, you know, the biggest concern for Japan at this moment is, you know, we can't rule out the possibility that the U.S. and China may make a grand bargain, one on over trade in exchange of security. You know, another Nixon shock. That's the primary concern for Japan. We don't think it's likely, but a problem is that we can't rule out this possibility.

Q: Hi. Li (sp) from George Washington University, grad student at International Affairs.

Mr. Schiffer, you said in the beginning of the panel – and I quote – “it is necessary for the United States to possess capability in the region – in this region in both quantity and quality.” I have two questions. So first one is, in the realist vision, do you think China will use either internal or external balancing to face and response to the United States and its allies for their actions, which may escalate the current tension in this region? And the second one is, if China has no intention to expand geographically or invade other countries, would it still be valuable or worthy to keep their heavy burden of defense budget in this region for the United States and its allies? Thank you.

MR. SCHIFFER: I mean, I – you know, I'm hesitant to speak for Chinese strategy. There are people in Beijing that can do a much better job of that than I can. You know, I guess I would answer though by offering that the question that we're faced with right now with the rise of China is not a question of, you know, whether or not China will be a great power, with all that that entails, but what sort of great power is China going to become. And the question of how China will behave in the international system, whether it pursues a mercantilist approach towards the international trade system

– and I recognize that there’s a certain jeopardy in offering those words as an American, you know, on February 1<sup>st</sup>, 2017. But nonetheless, if China pursues a mercantilist approach towards the international trade system as opposed to an approach that encourages, you know, the free flow of goods across borders, you know, that’s one set of choices. If China is approaching its partners, you know, in the region as tributary states, as opposed to as partners – right? – that’s a different and another set of – set of choices. It’s not – so it’s not just a question about whether or not China will be seeking to physically occupy, you know, other territories, other states in the region. I don’t think that’s actually, you know, part of the plan from Beijing’s perspective. It’s a much bigger question about whether or not we’re seeing a China that is seeking to revise, revisit, overturn and restructure, as Tetsuo put it, you know, the nature of the liberal international order that is vital and valuable for the United States and for our partners and allies in the region. And that’s what we need to be able to respond to across the multiple dimensions in which that challenge exhibits itself, one of which is military.

MS. BUNN: OK, thank, Michael.

We’re going to wrap up this panel, and I think we’ll – it’s wrapping up both panels, actually – but I think both panels, and the really good presenters on these panels, have led me to conclude that it really is a time that we need to be thinking deeply anew about alliances. There’s long been this periodic questioning in the U.S. of are our allies burden sharing enough, are they really in the U.S. interest. So it’s not just a transient issue, I think, in a new administration. It’s one of those things where threats are changing, as we’ve all discussed. Threat perceptions of allies are changing. The issues of what is an attack on one anyway, with new capabilities that come to bear. What do gray areas, gray zones really mean? What are we going to do? What are you going to do? It’s a very ripe time for reassessing, relooking, I think most of us would say renewing alliances.

So please join me in thanking these panelists. (Applause.)

REBECCA HERSMAN: Yes, thank you very much. On behalf of PONI and CSIS, this was a great panel, terrific discussion.

This is the beginning. This is one topic that I think has clearly captivated interest. We’ve had a great group turnout, and I think it really is deserving of additional study.

For this evening, we’re going to ask that you continue the conversation in the atrium – there are a few snacks and goodies out there – because we’re going to sort of wear our other PONI hat and think in terms of developing the next – (end of available audio).

(END)