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# U.S.-China Strategic Dialogue Phase VII Report

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**PASCC**  
PROJECT ON ADVANCED SYSTEMS AND CONCEPTS  
FOR COUNTERING WEAPONS OF MASS DESTRUCTION



# U.S.-China Strategic Dialogue, Phase VII Report

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**May 2013**

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The Naval Postgraduate School Center on Contemporary Conflict is the research wing of the Department of National Security Affairs (NSA) and specializes in the study of international relations, security policy, and regional studies. One of the CCC's programs is the Project on Advanced Systems and Concepts for Countering WMD (PASCC). PASCC operates as a program planning and implementation office, research center, and intellectual clearinghouse for the execution of analysis and future-oriented studies and dialogues for the Defense Threat Reduction Agency.

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**7<sup>TH</sup> ANNUAL U.S.-CHINA STRATEGIC DIALOGUE**  
NPS AND PACIFIC FORUM HOSTED, SPONSORED BY DTRA, IN HAWAII, JUNE 2012  
**EXECUTIVE SUMMARY**

In early June, 2012, eight Chinese participants, including high-ranking Peoples Liberation Army (PLA) officers, met with twenty-five Americans (a mix of officials and researchers) to discuss bilateral nuclear issues at an unofficial meeting. This dialogue, funded by DTRA, has been held annually for the past seven years. The Chinese delegation was the most official ever received in Hawaii, and the participants actively engaged in the discussions. The delegation included active duty military officers, retired officers, think tank researchers, academic faculty, and a space security expert. Our Chinese institutional co-host from the China Arms Control and Disarmament Association (CACDA) emphasized that these dialogues (in Hawaii and a parallel annual meeting in Beijing) are valued in Beijing and feed into the Track I process on their side both through their Ministry of Foreign Affairs (MFA) and Ministry of National Defense (MND).

The overall tone was positive and substantive. Boilerplate concerns about U.S. policy in the region were kept to a minimum, although China continues to express concerns about U.S. ballistic missile defense (BMD) programs and conventional strike capabilities. China's "no-first-use" (NFU) of nuclear weapons policy served as backdrop for some of the discussion, constraining engagement with some issues, and illustrating the depth to which that policy shapes even well-connected official perceptions.

Chinese participants displayed increasing confidence in their second strike capabilities and reiterated that their view of deterrence requires a very modest number of warheads. They also welcome U.S. declaratory policy of not challenging "strategic stability" with China as a positive development and raised questions as to whether a "new type of strategic stability" might exist at vastly lower force levels than during the Cold War. Chinese participants made increased references to their emerging SSBN force, hinting at potential "bastioning" strategies.

Chinese emphasis on their NFU policy impeded discussion on a range of topics. Discussions of crisis stability, nuclear signaling, and war control (战争控制, which is used widely in PLA sources) were limited by invocations of NFU. The Chinese reportedly characterized "war control" as a non-

nuclear term in their lexicon, and argued that they did not practice “nuclear signaling” since that has a coercive legacy (from the 1950s) for them. When American participants cited examples from PLA writings of actions that appeared to be signaling (e.g., raising alert status), the Chinese characterized this as “reactive signaling” at most and noted that such steps enhanced their capabilities directly. Chinese participants emphasized that nuclear retaliation would be complete, involving the launch of all nuclear weapons that survived a first strike. According to Chinese experts, its NFU pledge and limited nuclear capabilities left no role for a nuclear warfighting strategy, and little role for nuclear signaling or the use of nuclear weapons for war control or intra-war deterrence.

U.S. BMD programs remain a substantial concern for China. Both national missile defense and (particularly) regional missile defense are viewed as a threat to the effectiveness of Chinese second strike capabilities. Chinese participants feared that advanced missile defense systems deployed near China’s coast might be able to intercept Chinese ICBMs. Reassuring the Chinese on this point—central to their threat perceptions—would require additional bilateral engagement on missile defense confidence and security building measures (CSBMs) such as burn out velocities, test observations, etc., as has been done with the Russians. Clearly, and as U.S. participants noted, potential leaking of this information to “third parties” like North Korea would impede such CSBMs. Nevertheless, these ideas were raised in Hawaii and are worth discussing in official channels.

In the conventional arena, some Chinese acknowledge that anti-access and area denial (A2/AD)-like capabilities and Air-Sea Battle (ASB) have some elements of an arms race. Beyond that, China views “rebalancing” as both surprising and military-centric. Chinese participants see U.S. submarine (re)deployments in Asia (SSGN, SSN, and earlier SSBN) and advanced conventional weapons as powerful military capabilities.

A bilateral discussion of space security was included on the agenda for the first time with the permission of Chinese officials and military-affiliated think tanks. “Weaponization” of space is regarded as the greatest threat in space, but Chinese participants made clear they lacked consensus on the definition of “weaponization” or “space weapons.” One Chinese expert expressed flexibility on the Treaty on Prevention of the Placement of Weapons in Outer Space and of the Threat or Use of Force against Outer Space Objects (PPWT), referring to it as only a starting point and in need of improvement. Recent U.S. overtures on the Code of Conduct are not well understood; in particular,

China views recent American proposals as a means to exert unilateral leadership on these issues. U.S. intentions to broaden the Code discussions beyond European leadership and to accept inputs from others (and China in particular) need to be emphasized. Chinese presentations expressed a positive official view of the Code of Conduct as “parallel” to the Prevention of an Arms Race in Outer Space initiative (PAROS) and that it “would by no means dilute” PAROS. More broadly, while calling for legally binding agreements as the epitome of cooperation in space, one Chinese participant expressed support for separate “Transparency and Confidence-Building Measures (TCBMs),” and some participants were interested in ideas such as a weapons test moratorium and protection for global utilities in space. Chinese participants, however, noted that limitations on civil space exchanges with America have led to concerns about the possibility of cooperation on anything related to space.

Cross-domain issues were also explicitly raised on the agenda for the first time. The Chinese side acknowledged an intrinsic interaction between space/cyber and other domains and also displayed an emerging awareness that the United States views attacks on cyber or space as potentially very escalatory.

Finally, there were some interesting discussions on other CSBMs. Prompted by one U.S. participant, some Chinese seemed to view negotiated structured verification measures as potentially more acceptable than generic “transparency.” China may well view such private exchanges of information (particularly in a multilateral context) as less threatening than general “transparency,” which has broader implications in Chinese politics. On the Comprehensive Nuclear Test Ban Treaty, Chinese participants once again averred that Chinese ratification would rapidly follow U.S. ratification. And lastly, it is clear there continues to be an ongoing discussion of when is the appropriate time for China to join in broader nuclear arms control discussions. In this meeting, a 900-1000 warhead threshold was mentioned by one participant, although not in a particularly authoritative fashion. This emphasizes—consistent with previous discussions—that such conditions are actively under discussion in China and are likely to be broader than simply warhead numbers, to include concerns such as non-deployed warheads and missile defense.

\*The following report is split into two parts. The first provides background and narrative analysis of this year’s meeting and the second focuses on the particular terms that each side discussed in a terminology exercise.



## **PART I: BACKGROUND AND NARRATIVE ANALYSIS**

The seventh annual session of the U.S.-China Strategic Dialogue was held in Maui, Hawaii, from June 8 to 9, 2012. The dialogue is a Track 1.5 conference; thus, it is formally unofficial but includes a mix of government and academic participants. It is organized by the Naval Postgraduate School's (NPS) Center on Contemporary Conflict and Pacific Forum CSIS (Center for Strategic and International Studies) and is funded and guided by the U.S. Defense Threat Reduction Agency's (DTRA) Project on Advanced Systems and Concepts for Combating WMD (PASCC). Building on previous less formal support, for the first time, this year's dialogue had a Chinese co-host, the China Arms Control and Disarmament Agency (CACDA). This "non-governmental" association, with close ties to the Ministry of Foreign Affairs (MFA) and People's Liberation Army (PLA), helped improve the level and quality of participants and secure support for discussing certain topics.

As the leading agency responsible for addressing threats from weapons of mass destruction (WMD), DTRA seeks to enhance American situational awareness of Chinese nuclear strategies and capabilities, reduce the prospects for proliferation in Asia and beyond, and more broadly enhance American deterrence in a time of transformation. Particular interests guiding DTRA's leadership of this project have focused on identifying important misperceptions, misunderstandings, and key divergences in national interests, with a goal of reducing these over the long term.

Thus, the goal of this series of annual meetings has been to identify important misperceptions regarding each side's nuclear strategy and doctrine and highlight potential areas of cooperation or confidence building measures that might reduce such dangers. The first six conferences of this series focused their discussions on general perceptions of the utility of nuclear weapons, national threat perceptions in strategic affairs, the nature of current nuclear strategy and operational concepts of each side, regional issues pertaining to nuclear weapons issues, and strategic stability. (Conference reports for the previous year's dialogues have been published and are available on NPS web pages or from this report's authors.)

This year, the participants on the U.S. side included participants from think tanks such as CSIS and the Nuclear Threat Initiative; universities such as NPS, the National Defense University, and Stanford; and observers from the State Department, the Department of Defense, DTRA, and Strategic

Command. In total, there were more than 20 American participants. On the Chinese side, participants included a mix of active (mostly) and retired senior PLA officers, experts from “official” civilian Chinese think tanks, and a scholar from a Chinese university.

One of the goals of this series of meetings is to create something of a community of regular participants who develop some accumulated learning and perhaps some personal trust that might facilitate a more open discussion. Typically, at least half of the attendees have participated in a previous dialogue, as was the case this year.

This meeting was organized around four substantive panels, a set of terminology definitional breakout groups, and one plenary session discussion of definitions. The meeting began with wide-ranging discussions about U.S. and Chinese views on the evolving strategic environment and nuclear strategy, especially in the context of American rebalancing in the Pacific. This topic helped force both sides to examine the conditions in the Asia-Pacific that might promote a healthy Sino-American relationship or auger for increased hostility and helped pave the way for a relatively frank and open discussion throughout the two days. Thereafter, each side discussed its own contemporary nuclear policy and space policy. In an effort to draw out discussions of escalation and crisis management based on an empirical case study, the meeting included a panel on recent nuclear developments in South Asia, with discussion focused on the lessons that can be learned for the United States and China. Finally, after the terminology sessions, there was a discussion of near and medium-term steps with regard to arms control and confidence building measures.

For these traditional panels, each included two short presentations. These sessions were structured to maximize time for discussion rather than focus on vetted presentations. That goal was generally achieved, although the space security paper and presentation included more boilerplate than the nuclear discussions. This is probably not surprising as this was the first time space security was included on the agenda. Even on space security, however, the discussion proved productive and there were some interesting signals sent. Most participants regarded these discussions as relatively open and they displayed a particular lack of standard rhetoric on Taiwan. That said, and in contrast with recent sessions, repeated emphasis on “no-first-use” as a cure-all impeded productive and concrete discussion of escalation dynamics and Chinese responses in a hypothetical crisis.

The meeting also included breakout sessions in which smaller groups of participants engaged in very informal discussions about the meaning of a dozen specific terms such as “war control” and “nuclear signaling.” Each group was asked to discuss the meaning of the term, provide some broader context, and discuss the implications for U.S.-China relations. The goal was explicitly not to come to consensus definitions, but rather to understand the commonalities and differences of how the terms were used and gain some sense of their role in each side’s thinking about nuclear issues (some terms were more commonly used by one side than the other). The resulting presentations served as the basis for a vigorous discussion in a plenary session the next day.

## **CHINESE NUCLEAR STRATEGY**

The declared guiding principle for Beijing’s nuclear weapons policy is no-first-use (NFU), which Chinese participants emphasized throughout the dialogue. In the plenary and breakout discussions, NFU surfaced often in response to U.S. calls for greater Chinese transparency and NFU also hindered a deeper examination of Beijing’s potential responses in a crisis—despite the inclusion of Chinese terms in the dialogue’s breakout group discussions intended to provide deeper understanding. The Chinese side also repeatedly called on Washington to adopt an NFU stance to promote closer, less antagonistic ties. In particular, both a Chinese civilian and PLA-affiliated participant believed further Chinese transparency on nuclear capabilities would only be brought about by increased transparency on U.S. nuclear employment policy, and/or the adoption of an NFU stance.

More than in previous dialogues, perhaps due to the nature of the discussion on escalation and crisis, Chinese participants emphasized that if they were forced to use nuclear weapons, China’s response would be akin to “massive retaliation” (though this phrase was never used), launching all nuclear weapons that survived the initial American attack. Within the confines of a hypothetical nuclear crisis and response, Chinese participants emphasized NFU and massive retaliation. Chinese participants also argued that China’s reaction to a hypothetical first strike, even a limited strike, would necessitate a total Chinese retaliation with all available nuclear forces. Chinese participants noted that given its small arsenal size, which would be further reduced after absorbing the first nuclear attack, China would be forced to launch all remaining nuclear weapons to ensure penetration of ballistic missile defenses (BMD). One well-connected Chinese participant stated his “personal

opinion” of China’s requirements for effective deterrence and second-strike capability as having “one nuclear warhead” able to penetrate BMD. Although perhaps a bit of rhetorical flourish, this is more broadly consistent with messaging in previous meetings, during which Chinese participants emphasized that “a few” or a “handful of” warheads would be sufficient.

Chinese participants generally viewed nuclear weapons to be of limited use and envisioned a very narrow range of potential contingencies that could involve nuclear weapons. For instance, after a participant listed Taiwan, the Diaoyu Islands, and South China Sea as areas of potential U.S.-China conflict that might be linked to nuclear relations, other Chinese participants disagreed. One PLA-affiliated participant argued that only Taiwan rose to this level. He suggested that lesser issues would be unlikely to involve nuclear weapons. A Chinese researcher also disagreed with the PLA-affiliated participant’s comments, noting that “most Chinese do not think that way.” With regard to nuclear weapons in a Taiwan contingency, Chinese participants repeated that these weapons would not be used against Taiwan, but were less clear on whether they could be used against others during a conflict over Taiwan. Chinese participants also emphasized that the only real nuclear threat to China came from the United States. This contrasts somewhat with past meetings in which potential nuclear threats from India were raised (although one Chinese participant noted that newer Indian missiles and SSBNs might “challenge Sino-Indian nuclear relations a little bit.”)

There was some ambiguity as to how China might respond to conventional attacks on Chinese nuclear forces. A PLA-affiliated participant suggested that conventional attacks on “important military, political, and economic targets” could be cause for massive retaliation. He did not specifically mention nuclear use, and when pushed on whether this would include nuclear weapons, he suggested that it did not. This is consistent with Chinese concerns in recent meetings about prompt global strike (PGS) and repeated signals that conventional attacks would have great consequences and bring a strong response, though it remains ambiguous as to whether or not this would include nuclear weapons. In previous meetings, Chinese participants have noted that advances in conventional strike capabilities and the possibility of conventional attacks on nuclear forces might put increased pressure on China’s NFU. Further discussions on this point likely serves to deepen strategic mistrust more than it clarifies any “strategic ambiguity.”

## STABILITY

Various definitions of stability and strategic stability were raised and discussed during the dialogue. Both sides seemed to agree that some form of stability in the relationship existed at present and hoped the other side would not take actions to undermine stability. Chinese participants repeatedly raised developments in missile defense and conventional strike capabilities as negative factors and potential challenges to stability. American participants repeatedly raised concerns about misperceptions and inadvertent signaling as a potential source of escalation in a crisis that might undermine stability.

As in previous dialogues, Chinese participants welcomed language in the Nuclear Posture Review (NPR) that accepted strategic stability in bilateral relations, but questions were again raised about what the United States means. One PLA-affiliated participant noted that it is “not clear what it [strategic stability] means.” However, he and others viewed discussions of strategic stability as a positive development, and emphasized that it would differ from Soviet-U.S. strategic stability due to the lack of parity in force ratios. This idea is consistent with writings from other PLA arms control and nuclear experts who have recently written about “a new type of strategic stability” (新型战略稳定) in regards to Sino-American relations. Chinese participants again raised the idea that an American NFU pledge would enhance strategic stability in relations, though the American side pointed out the difficulties in making such a change in policy. Similar to suggestions by David Gompert and Phil Saunders,<sup>1</sup> PLA-affiliated participant proposed the idea of “three no first attacks” (NFA) in nuclear, space, and cyberspace, as an idea that would enhance bilateral strategic stability.

According to Chinese participants, however, strategic stability does not preclude crisis or competition between the two powers. A Chinese PLA-affiliated participant argued “crises are inevitable and not totally bad” because it reminds leaders of the dangers of overextension and can release compressed “destructive energy.” Although not recommending a nuclear crisis in U.S.-China relations, he noted the positive role the Cuban Missile Crisis ended up playing in enhancing U.S.-Soviet stability and communications in the Cold War. A Chinese civilian considered U.S.-China competition to be very likely, but emphasized that neither confrontation nor conflict was inevitable.

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<sup>1</sup> David C. Gompert and Phillip C. Saunders, *The Paradox of Power: Sino-American Strategic Restraint in an Era of Vulnerability* (Washington, DC: NDU Press, 2011).

Chinese participants seemed much less worried about the potential for misperceptions or inadvertent signaling to lead to crisis escalation. American participants repeatedly raised concerns about how either side could take actions in a crisis that would inadvertently threaten the other and lead to escalation, repeatedly asking how China would respond to hypotheticals. Chinese participants responded by invoking their NFU, which impeded and limited discussions on this important issue. Implicit in some of the Chinese responses was that if the United States was so concerned with the potential for escalation, it should not take actions that could prove escalatory. Chinese participants also did not engage on the potential relevance of the stability-instability paradox—which predicts nuclear and conventional stability are inversely correlated—to U.S.-China nuclear relations and the greater possibility of conventional crises that may lead to escalatory pressures.

One dialogue session focused on comparative views of Indo-Pakistani strategic stability and nuclear doctrine in an effort to allow participants to talk about issues of escalation and stability in less sensitive ways, while also thinking about implications of this case for U.S.-China relations. Although recognizing that the asymmetries in nuclear and conventional capabilities seemed similar, Chinese participants emphasized the differences between the two sets of relations—such as greater mutual interests between the United States and China who were great powers while India and Pakistan were not, and no possibility of a third party to manage and mediate a U.S.-China crisis. Chinese experts did not respond, however, when an American participant noted that some of those differences are reasons for optimism in the U.S.-China context, whereas others are reasons for greater concern about instability.

Some of the more worrisome developments in the South Asian context do not seem to be occurring in the U.S.-China relationship. For example, India's "Cold Start" doctrine emphasizing rapid conventional response has pushed Pakistan to develop battlefield nuclear capabilities and use "automaticity" in its nuclear response to conventional attacks to enhance deterrence. There are no signs of a similar destabilizing development in Chinese nuclear doctrine. However, the Chinese did not respond to the suggestion by one American academic that Cold Start might be similar to Air-Sea Battle (ASB), and questioned whether advances in American conventional capabilities might force a rethinking in Chinese nuclear doctrine. The engagement on the Chinese side was probably reduced by their limited expertise on South Asian nuclear dynamics, but the discussion was productive and

focused on nuclear issues and did not devolve into criticism of U.S. support for India or Chinese support for Pakistan.

## **ESCALATION**

The Chinese side expressed worry that rebalancing and ASB would likely produce an unwanted arms race and undermine stability. Many Chinese participants were clearly concerned about the negative impact of the rebalance on the strategic environment. These cautions, however, lacked a firmness that would indicate concrete decisions from Beijing had not yet been made on how to respond. Though concerns about arms races were repeatedly raised, Chinese participants did not explicitly raise concerns about the implications of rebalancing or ASB for escalation to the nuclear level.

The South Asia session produced a brief discussion on the stories Chinese and American leaders might tell themselves on how Sino- American wars could be won. Two U.S. participants suggested that new approaches in the Western Pacific such as ASB might provide undue confidence to American policymakers. On the other hand, a Chinese researcher alluded to Beijing's greater willingness to endure a fight over Taiwan when compared to America's follow-through and willpower in a cross-strait crisis. After a testy back and forth, other Chinese participants admitted that the United States had vital interests in East Asia and in Taiwan in particular, but they conditioned this point with references to how China's survival was at stake in a Taiwan crisis.

Deployed and under-development U.S. conventional capabilities are alarming Beijing as rebalancing refocuses more of these capabilities into the Asia-Pacific theater. While this anxiety is not new, it was on display throughout the dialogue. Chinese attendees constantly linked the threat of new arm races in the Pacific to U.S. action. (The U.S. side repeatedly highlighted the growth of Chinese missile and naval capabilities as well.) One Chinese participant categorized new conventional strike capabilities as a rising threat and expressed a worry within China that escalation chains might raise "nuclear shadows." At times however, the Chinese attendees admitted that their actions might play a role in the arms race dynamic. One Chinese delegate, in expressing concern on ASB, also indicated that he understood its development was in part due to Chinese A2/AD tactics and capabilities. In addition, the tone from the Chinese did not suggest they were entirely sure how to react to U.S. moves.

Chinese participants also cited nationalist pressure on Beijing to act in a crisis as a potential constraint on policy. One PLA-affiliated participant likened domestic memories of the 1999 Belgrade bombing with American memories of Pearl Harbor and 9/11, a comparison that triggered palpable derision from the U.S. side (and some subsequent reconsideration by the Chinese participant). Another Chinese participant, noted “it’s very hard for [the] Chinese government to convince its own people [to be moderate],” and cited 1999 as a prime example.

Three U.S. participants raised the issue of inadvertent or purposeful conventional strikes on Chinese nuclear assets. One way that might occur would be due to a lack of Chinese transparency regarding co-location of nuclear and conventional weapons leading to an inadvertent strike on nuclear forces. Chinese ambiguity on this issue and the potential for Second Artillery co-location raises the potential for escalation in a Sino-American confrontation. The Chinese, however, did not engage on these escalation concerns and did not seem as worried as American counterparts about the potential for misperception or inadvertent escalation.

There was some discussion by a PLA-affiliated participant about the possible deployment of Chinese SSBNs during times of crisis. This assessment links quite well with an earlier assertion that nuclear alert levels were raised in China only when under imminent nuclear threat. Thus, if Chinese SSBNs were observed to be surging in a crisis it may indicate nuclear confrontation is at hand and could help U.S. planners interpret Chinese actions or lack thereof in a crisis. The U.S. side noted, as has occurred in previous dialogues, that this type of surge would be perceived as “nuclear signaling,” and could pose dangerous escalatory dynamics.

## **ARSENAL SIZING**

Beijing outlines the goal of its arsenal to be the maintenance of “lean and effective” nuclear forces and Chinese interlocutors continued to emphasize the “lean” part of this sizing strategy. For example, a PLA-affiliated participant described his country’s arsenal as “very small.” Regarding effectiveness, he indicated “China [had] to have one nuclear warhead penetrate the U.S. missile defense system” for its second strike deterrence to be credible, a sizing requirement that allowed Beijing to maintain a small nuclear force. Nonetheless, given changes in U.S. capabilities, this calculus was flexible. Some Chinese commented that their nuclear capability’s sole target was the



United States, not Russia or India. Though this simplified targeting policy contrasted with how U.S. participants characterized their own arsenal in a complex, multiple-threat environment where American reductions were linked more with Russia and U.S. warheads had multiple actors in mind. Chinese participants also emphasized that nuclear retaliation would be complete, involving the launch of all nuclear weapons that survived a first strike.

One of the Chinese delegates emphasized that Beijing's nuclear ambitions did not seek parity or equivalent capability with the United States, only what he termed "minimum deterrence"—a dependable second strike capability. Interestingly, another Chinese attendee suggested that if U.S. and Chinese arsenals were more equal in size, China could adopt a broader range of potential nuclear responses (which could include nuclear warfighting, though he did not use this term here) and could have more nuclear signaling; but he also qualified this development as unlikely.

The most likely pressure for increases in China's arsenal, at least from the perspective of a majority of Chinese participants, was U.S. missile defense. During the discussion on (Missile Defense) Countermeasures (反措施/应对措施), a PLA-affiliated participant accused Washington of possessing both "the sword and shield": a combination of missile defense and so-called U.S. first use policy. Consequently, several believed China might have to develop countermeasures, which could include increasing its number of warheads. Another Chinese participant suggested that as China increased its sea-based capabilities and multi-warhead maneuverable missiles, the United States might expand its missile defense program from its more limited current state. Thus, this spiraling interaction would push another round of arms racing in his opinion. Again, building on previous dialogue meetings in Hawaii and Beijing, an important part of these threat perceptions are advanced BMD capabilities, which may have some capability against Chinese inter-continental ballistic missiles (ICBMs).

## **BALLISTIC MISSILE SUBMARINES (SSBNs)**

Chinese participants seemed more open to discussing both sides' undersea capabilities than ever before. Still, it remains unclear how Beijing's ballistic missile submarines integrate into their broader nuclear posture. There were hints at the adoption of potential bastioning strategies to protect Chinese SSBNs from U.S. and Japanese anti-submarine warfare (ASW) capabilities.

In response to another American scholar's question regarding whether Beijing would have SSBNs on alert or surge them during a crisis, a Chinese participant suggested that Chinese SSBNs, when fully deployed, would not necessarily be continually on patrol. Rather there would be regular, but not continual deployments.

On a related note, U.S. submarine redeployments to the Pacific have generated obvious attention in China, as evidenced by the anxiety certain Chinese interlocutors displayed in discussing them. Toward the start of the dialogue, one Chinese participant referenced U.S. guided missile submarines (SSGNs) among a list of the recent concerns in China. Later, another Chinese delegate, citing Secretary Panetta's Singapore speech and a 2006 U.S. policy document, alleged that the Obama administration's rebalancing strategy involved the deployment of SSBNs to the Asia-Pacific region. An American rebuffed this claim, indicating that the speech and document referred to nuclear attack submarines (SSNs) not SSBNs. Nevertheless, it is clear that China continues to perceive an increase in deployments of ballistic missile submarines in Asia and is in general concerned by the increased amount of SSN and SSGN numbers off its coasts.

## **U.S. MISSILE DEFENSE**

U.S. missile defense remained a persistent cause of concern for almost all Chinese participants throughout the dialogue. These concerns rested on an impression that missile defense was targeted at China and destabilizing because it challenged China's nuclear deterrent. In the opening session, a PLA-affiliated participant listed missile defense as one of his main concerns in the strategic realm. Another Chinese attendee followed shortly with a question to the U.S. side regarding how rebalancing would affect missile defense deployments. (In reply, an American participant indicated that missile defenses were aimed at North Korea, Iran, and other rogue regimes.) Integration of Taiwan into a U.S. network of ballistic missile defense was also viewed as something of a "red line" for some Chinese participants. Furthermore, a PLA-affiliated participant twice warned that Beijing would have to develop countermeasures in response to a U.S. missile defense system, which could include technological advances or an improvement in the quality or quantity of China's nuclear arsenal. He also asserted that only one warhead had to penetrate U.S. missile defense for Beijing's deterrent to be credible. This assertion was similar to ones in previous dialogues by others that "a few" or "a handful" of deliverable warheads was sufficient for credible deterrence. Another Chinese

participant made parallel points when addressing whether the United States pursued absolute or rational security. If the U.S. was trying to achieve absolute security, which was taken to mean a more comprehensive missile defense system in particular, he believed China would have to respond with increased ambiguity and secrecy, larger arsenals, decoys, and in the case of conflict, consideration of attacks on U.S. radar and early warning systems.

On BMD countermeasures, American participants repeatedly warned their Chinese colleagues that the proliferation of countermeasure technology to rogue states such as North Korea would be viewed as highly escalatory and drive the United States to advance its capabilities and missile defense deployments. Yet, PLA-affiliated participant responded that North Korea could not launch a missile let alone develop countermeasures.

On two occasions Chinese participants seemed to suggest their government had initially tolerated or at least been reserved in its protests toward U.S. missile defense. Regardless, the tone from the Chinese suggested this toleration had certainly waned (or more accurately, after a lull, has returned in force). One U.S. participant expressed irritation that Beijing had not given Washington enough credit on its actions taken to lessen Chinese concerns, in particular the termination of the multiple kill vehicle program. He also cautioned that countermeasure proliferation might force the United States to restore the furloughed program. A Chinese participant, however, responded dismissively, arguing that cuts to the multiple kill vehicles were not a concession to Chinese concerns but driven by shrinking budgets.

Chinese participants briefly discussed their own missile defense program both in the breakout sessions and the plenary session. One Chinese delegate indicated China's missile defense would be for "key points." He did not define what key points meant exactly, but it likely relates to missile bases and command and control infrastructure since the comment was made in the context of discussing the need to defend nuclear installations.

## **COUNTERMEASURES**

Despite the inclusion of (Missile Defense) Countermeasures (反措施/应对措施) in the terms discussion, there was little detailed engagement. Instead, countermeasures were usually described

broadly and comprehensively. Chinese participants identified survivability through secrecy or concealment, arsenal increases, and maneuverable warheads all as countermeasures. According to a Chinese think tank participant, China's policy-oriented literature did not offer much discussion on countermeasures. One PLA-affiliated participant observed that overall political relations framed Beijing's decision on whether to deploy countermeasures. If Sino-American relations deteriorated, a more aggressive Chinese approach to countermeasures might be warranted. Similarly, a civilian participant asserted that China would adjust its behavior after assessing U.S. policy and capabilities, but currently Beijing was waiting for technological assessments of U.S. ballistic missile defense before deciding how to proceed.

## **REGIONAL ISSUES**

### **SOUTH ASIA**

The panel on South Asian nuclear dynamics was designed to elicit discussion on crisis stability and inadvertent escalation. While engagement on these topics as they pertained to Sino-American relations was modest, the Chinese did offer their understanding of the current crisis dynamics in the region. One Chinese attendee identified India and Pakistan as relatively "small countries" whose disputes could be mediated by the United States if diplomatic intervention became necessary. This seemingly relaxed attitude toward South Asian strategic issues, based in part on confidence in Washington's ability to control the situation, may be overly optimistic. U.S. participants noted that perspective several times during the discussions. According to a Chinese civilian, Pakistan had also learned something since the 2008 crisis, which led to an optimistic assessment about the future. Yet worryingly, the Chinese participant also admitted that within China's South Asian policy community little debate and research delved into the region's Indo-Pakistani nuclear dynamics. Chinese participants recognized that India paid much attention to China's nuclear forces, but claimed that Beijing felt no threat from New Delhi.

### **EAST ASIA**

Besides Taiwan, North Korea garnered significant attention during the dialogue, mainly from exchanges initiated by American participants. On multiple occasions, the American side tried to communicate to their Chinese colleagues that North Korean actions remained an important cause of ballistic missile defense in the Asia-Pacific and were also contributing to the military aspects of U.S.

rebalancing. In addition, U.S. participants several times emphasized that the transfer of countermeasure technology to North Korea might necessitate further and advanced missile defense deployments to the region. Still, the Chinese side generally remained unconvinced that missile defenses were solely aimed against Pyongyang. They believed only a small number of interceptors would be required if North Korea was the target, but did not quantify that amount. A U.S. participant indicated only 30-40 interceptors were currently deployed and that this number would not ramp up anytime soon, yet this did not quell Chinese anxiety (the subsequent increase of exactly those interceptors will likely be a topic in future discussions). One Chinese participant also seemed alarmed by an American participant's indication that a North Korean nuclear strike on the West Coast would necessitate a total U.S. retaliation, despite China's similar strategic stance given an American first strike.

During the CSBMs discussion, one PLA-affiliated participant questioned the continued role of extended deterrence in the region and identified Japan as a nuclear threshold power—similar to Iran but minus the lack of transparency. If some instigating event took place, which he linked with the Korean peninsula, the participant doubted Tokyo would rely on U.S. extended deterrence and instead believed Japan would develop its own capabilities. In part, he also asked that American extended deterrent commitments be reexamined if Washington sought to build better relations with China.

## **TAIWAN**

Throughout the dialogue the Taiwan issue did not become a major dispute. Although one PLA-affiliated participant suggested a dispute over Taiwan was the only area that might escalate into the nuclear domain, he asserted that Beijing felt relaxed on Taiwan. He voiced worries about other issues, such as the shipping of nuclear triggers to Taiwan, but even this concern seemed muted. Furthermore, during the opening discussion on Chinese nuclear strategy, another PLA-affiliated participant emphasized that, in his opinion, no prospect for the use of nuclear weapons directly against Taiwan existed since Beijing considered the island part of China. (This is consistent with other discussions on nuclear issues at the Track 1.5 and 2 levels.)

The only contentious exchange over Taiwan involved a debate on the importance of political will in a hypothetical Taiwan crisis. Two Chinese attendees argued that despite U.S. interests in Taiwan, China's will—therefore credibility—were much higher than America's will to intervene in a cross-strait crisis given the potential costs involved. A U.S. participant, however, warned Chinese colleagues not to underestimate U.S. interests and will, and suggested that doing so could be potentially destabilizing. In this exchange there seemed to be some tacit acknowledgement that Washington did have legitimate interests regarding the Taiwan issue.

## **SPACE**

A bilateral discussion of space security was included on the agenda for the first time with the permission of Chinese officials and military-affiliated think tanks, and a relevant expert presented on this topic. His paper and presentation emphasized official policy pronouncements but there were also substantive discussions on space security and the expert offered some insightful observations during the discussion.

In particular, during the question and answer portion of the space session, the Chinese presenter commented that no consensus had been reached in China as to the definition of a space weapon. This ambiguity owed to the difficulty of defining “outer space.” He then highlighted different ways the Chinese government wrestled with defining space weapons. Does the definition depend on the deployment or targeting position of the weapon? The presenter closed by informing the dialogue that “the Chinese government is still open to all types of consultation on the definition of [these] weapons.” Another Chinese participant offered four different definitions of space weapons: 1) ground-based weapons that fly through space on their way toward a ground based target, 2) ground-based weapons targeted at objects in space, 3) space-based weapons targeted at other objects in space, and 4) space-based weapons aimed at ground-based targets. He recommended the latter two should be considered space weapons while the former two should not. Although some troubling and questionable examples were raised in this discussion for Americans, it is reassuring that none of the Chinese participants defined space weapons as weapons that traveled through space. Again, it was clear the issue of jointly defining space weapons was regarded as a legitimate topic for conversation, and it is likely an area worth pursuing by both sides through official channels.

The Chinese side acknowledged an intrinsic interaction between space/cyber and other domains and also displayed an emerging awareness that the United States views attacks on cyber or space as potentially very escalatory. This discussion seemed to reflect an evolving Chinese understanding of the traditional dangers that attacking "national technical means" or early warning assets might have, as well as the potential for dangerous cascades to occur as a result of (further) kinetic attacks.

The Chinese participants distrusted U.S. plans and pronouncements on space weapons—one speaker questioned whether the U.S. still pursued strategic defense initiative (SDI) related research on space-based interceptors. Another Chinese participant inquired as to whether the United States had a stated policy opposing the weaponization of space. An American participant advised that although the United States had no stated policy, it did have a norm of non-weaponization. (U.S. programs on missile defense, however, can complicate this norm.)

Chinese participants also emphasized China's developing country status and its role as protector of other developing countries' rights in space. Space security was characterized as a global issue and not just one for the United States, China, and other space faring nations. A Chinese participant called for the inclusion of fairness and justice into principles of space security to address the interests of not-yet-space-faring nations. Regarding the rights and responsibilities of space-faring nations, one U.S. participant noted similarities between the Obama administration's National Space Policy document and the Chinese presentation. He observed that many common interests existed, including the peaceful use of outer space for weather information, navigation, and the avoidance of purposeful interference, which dovetailed nicely with China's concerns over the 2003 hacking of one of its satellites by Falun Gong. An American participant recommended that dialogues like this one identify common bilateral interests that could produce meaningful collaboration. In response to a question from a U.S. participant on the utility of deterrence in space due to the lack of American political support for legally binding treaties, a Chinese delegate agreed that a possibility might be to treat all global positioning systems (GPS) as immune from attack, which might also deter confrontation. A U.S. participant responded positively to this proposal; further investigation on GPS cooperation could be an area worth pursuing for both sides at both the Track 1 and 2 levels.

A Chinese speaker acknowledged that China and Russia knew the Treaty on the Prevention of the Placement of Weapons in Outer Space (PPWT) required revision and thus welcomed U.S.

engagement on the matter. Chinese participants viewed instruments like the European Code of Conduct, however, as not substantial enough on their own when compared to PPWT because they were not legally binding. Still, the dominant view seemed to be that a Code of Conduct could work in parallel to the Prevention of an Arms Race in Outer Space initiative (PAROS) and does not seek to dilute it.

There was also confusion on the Chinese side regarding U.S. proposals to engage on an international code of conduct; this was viewed as the United States trying to impose its view on such a process and dominate it. American participants emphasized that to the contrary the goal here was to ensure China and other powers had a seat at the table for these negotiations. More positively, China did support Transparency and Confidence-Building Measures (TCBM), but again these activities would not substitute for legally binding instruments such as PPWT, which were meant to address deficiencies in the current international legal system.

Chinese participants believed the successful economic development of space depended on strengthened space security treaties or as they referred to them, legally binding instruments or documents. One Chinese speaker stated that China would support and actively engage in the United Nations Group of Governmental Experts on space security this coming year, which is a sign of progress. Another recommended a further area for confidence building might include a test moratorium. An American scholar agreed that a moratorium should be looked into.

The issue of space verification was discussed a few times. There was no agreement on how verification could occur. One Chinese presenter doubted its practicability, while a U.S. participant argued verification was possible but difficult. Two U.S. participants agreed that verification required further discussion, but also would require the involvement of technical experts. The Chinese side generally agreed, but a Chinese delegate argued that a lack of trust from the U.S. side impeded progress—this concern specifically regarded the process of obtaining visas for Chinese technical experts.

Several Chinese experts also complained that U.S. congressional politics impeded significant progress on space security. The American delegation offered a range of responses on these issues, noting the sources of these restrictions, but also with some suggesting that congressional restrictions



ironically affected mil-to-mil engagement on space issues less than the civilian side (i.e., prevention of NASA visits and satellite launches). Still, the Chinese were alarmed with congressional actions on this issue in general, and one argued that this lack of trust made it more difficult for China to support space security dialogues.

## **CONFIDENCE AND SECURITY BUILDING MEASURES (CSBMs)**

The panel on potential confidence and security building measures yielded many ideas that will require further examination within each other's respective governments. Many ideas and suggestions were raised in other panels as well. As in the past, the responses and reactions to these proposals will occur in future dialogues, after further reflection and discussion in both countries.

On missile defense, the Chinese pushed for greater transparency. For example, a Chinese presenter recommended China be allowed to observe missile defense tests and the data gleaned from them so as to build confidence in U.S. systems as non-threatening. This approach follows the example of Russian-American cooperation on the issue. The U.S. side replied cautiously though, raising concerns about the potential for sharing data and insights with other actors, in particular North Korea. The lack of trust between the two sides therefore impeded greater alleviation of Chinese concerns. One U.S. participant also commented that the complexity of the U.S. missile defense program, for example optical/multi-spectrum sensing, made some kinds of transparency technically problematic. The Chinese also failed to understand the need for reciprocity in transparency. In response to a U.S. participant's statement that transparency was a two way street, a PLA-affiliated participant suggested that China would not be able to be as forthcoming due to its lack of equivalent capabilities relative to the United States and the lack of a U.S. no-first-use policy. Other Chinese participants made similar points during the dialogue.

After the CSBM presentation, one American participant suggested that given the Chinese side's aversion to transparency efforts, the U.S. might want to place more emphasis on legal verification and less on transparency. Consequently, he asked his Chinese colleagues if a "legalistic and binding verification mechanism" might be a different and more productive approach. One Chinese delegation member responded in the affirmative, recommending that these mechanisms also be multilateral, not bilateral and perhaps private rather than public.

Similar to David Gompert and Phillip Saunders' work on mutual restraint, one Chinese participant proposed the idea of "three non-first attacks" (3NFA) in nuclear, space, and cyberspace. He believed limiting conflict to just one of these domains was impossible. According to him, "reciprocal commitments" by both sides to 3NFA would be "a big realistic step to China-U.S. strategic mutual trust" and strategic stability.

Another Chinese participant provided some interesting statements on Chinese policy responses to U.S. entreaties. For example, a Chinese participant suggested that Chinese ratification of the Comprehensive Nuclear Test Ban Treaty would rapidly follow a similar move by the United States. (This resonated with Chinese signaling at previous Track 2 dialogues.) More significantly, a speaker suggested if Russo-American arsenal cuts continued down to 900-1,000, it might represent a threshold that would allow Beijing's participation in global arms control negotiations. The space session raised areas for potential cooperation including the need to hold a larger conversation on how GPS systems should be treated. For example, did the system's status as a global utility deter the weaponization of space? Another Chinese participant also suggested further conversations were needed on space traffic management due to the crowding of Earth's orbits with debris.

The Chinese voiced some displeasure at the lack of reciprocal lab visits that they thought owed to them by the United States. Consequently, this perceived lack of reciprocity acted as an impediment to deeper trust and confidence. Finally, during the breakout session discussions on cross-domain deterrence, several U.S. and Chinese participants agreed that the idea of cyber hotlines might help limit potential tensions over cyber security in the future and also assist with attribution.

## **PART. 2: DEFINITIONAL BREAK-OUT GROUP DISCUSSIONS**

Part of the dialogue, as with several of the past sessions, centered around dividing the conference participants into “breakout groups,” each of which discussed each side’s understanding of the meaning of various terms. The conference organizers encouraged representatives from each side to suggest candidate terms prior to the conference. From these and those the organizers included, nine were selected. Three are primarily “academic” in nature (stability/instability paradox, nuclear taboo, and nuclear signaling); three come from Chinese doctrinal publications (close protection, war control, and countermeasures); and the last three come from American policy statements (air-sea battle, rebalancing, and cross domain deterrence). A participant from each side was asked to draft a “one page” discussion of the terms (both sides contributed one pagers for the academic terms, and each side gave a one pager on their own term). These were circulated prior to the meeting and served as the basis for the breakout group sessions and later for the presentations of the terms to the plenary session. Each term is discussed below in turn.

### **CLOSE PROTECTION (□密防□) / SURVIVABILITY**

Close protection (□密防□) is a term used in Chinese documentary sources (both open and internal) to describe an element of Beijing’s nuclear strategy. Unfortunately, it was the only term for which a “one page” statement was not provided; nevertheless, the discussion produced some valuable new ideas. The term appears to connote a fairly broad set of means to protect basing for nuclear weapons from a wide range of threats. This protection side of Chinese thinking about nuclear strategy is related to survivability, but differs a bit from the way it would be understood in the United States.

Initially one Chinese speaker voiced concern that the Chinese side could not broach the specifics of close protection (□密防□) due to a lack of expert knowledge in the room; however, the ensuing discussion engaged the term’s broader application. Furthermore, an explanation of three U.S. Cold War strategies related to survivability, especially an American participant’s reference to maneuverable and hidden SSBNs, helped move the discussion toward a deeper Chinese dialogue on ballistic missile submarines.

As in previous meetings, open disagreement or lack of coordination was visible between certain elements within the PLA. One Chinese participant identified close protection (□密防□) with *The Science of Second Artillery Campaigns* (SSAC) and the Second Artillery, which in his opinion meant it did not apply to the PLA Navy. Another participant disagreed and indicated the term concerned base or site security and “keeping the operational area safe” from potential nuclear, conventional, special operations, and terrorist threats in wartime. He argued that this concept also applied to the maritime domain, where SSBNs and their bases demanded protection, especially from “strong” Japanese and American anti-submarine warfare capabilities. In an effort to elicit further clarity on Chinese SSBN strategy, a U.S. participant asked whether this characterization might be similar to the Soviet strategy of bastioning. Some on the Chinese side nodded approval.

It became clear through the terminology discussion that protection (防□) was narrower than defense (防御). Furthermore, China’s current protection strategy aims to enhance survivability and prevent attacks on nuclear forces and facilities rather than advance active defense, e.g. missile defense. During Mao’s reign, Chinese nuclear strategy had been more concerned with defending population centers. Nevertheless, according to two Chinese participants, Beijing’s strategy now leaned toward warhead and facility protection.

The terminology discussion also brought up China’s recently publicized tunneling efforts, which one Chinese speaker identified as another aspect of close protection. According to him, the tunnels helped ensure a second strike capability and kept vulnerable nuclear weapons “off the roads”; thus, tunneling was a method of concealment and protection rather than an effort “to hide a growing arsenal.” Another Chinese attendee addressed these tunneling efforts and implied that the “underground great wall” project only aims to ensure Beijing’s second strike capability.

Although one U.S. participant suggested some methods of force protection might serve as implicit nuclear signals, the Chinese side remained reluctant to agree with such a characterization.

The discussion on close protection (□密防□) also provided an opportunity for the U.S. participants to reiterate concerns about the different challenges faced by the Chinese Navy and Second Artillery, who control different parts of Beijing’s nuclear capabilities. The apparently weak

integration between them and great uncertainties regarding the nature of command and control at sea might prove detrimental to crisis management and will need to be monitored into the future.

## **THE STABILITY INSTABILITY PARADOX (SIP)**

This paradox has roots in the early Cold War and provided a theoretical explanation for deeper engagement in proxy Soviet-American conflicts such as Vietnam. Put simply, the paradox states that nuclear and conventional stability are inversely related. Therefore, if states achieve strategic stability they may be more inclined toward provocative conventional action since each is aware that nuclear confrontation remains unlikely. A U.S. participant expanded the definition out to other domains, even positing that conventional stability could provide increased risk for lower intensity conventional skirmishes.

The Chinese side pointed to the term's Cold War origins as another symbol of outdated concepts being inappropriately applied to the U.S.-China relationship; in general, both sides admitted the term had questionable value. The term proposes that political relations be understood through a nuclear lens, which a Chinese participant rejected in the breakout session because Beijing did not conduct policy through a nuclear lens but a political one; a U.S. participant also voiced his agreement with this point. A PLA-affiliated participant discarded the paradox entirely, instead, arguing that strategic stability lessened conventional instability. On the other hand, another Chinese participant suggested a form of strategic stability might exist in cyberspace due to cyber-MAD (mutually assured destruction), which implied that lower level cyber exploitation or attack may be logical given Sino-American nuclear stability. Two U.S. participants, however, quickly countered that the ambiguities of cyberspace lacked clear redlines or thresholds to prevent escalation. This response led him to recommend bilateral, consensus driven negotiations on the prevention of cyber-attacks.

A non-nuclear Taiwan confrontation would seem to fit within the paradox, but a lack of willingness to engage the Taiwan issue in this context precluded it from being touched on during the breakout session. After being brought up in the plenary session by the U.S. side, a Chinese participant responded that U.S.-China strategic nuclear stability precluded cross-strait conflict, again exemplifying the Chinese rejection of this term.

## **NUCLEAR SIGNALING**

Nuclear signals may be a variety of actions intended to convey the credibility of a states' nuclear weapons capability and its willingness to utilize it, but signaling does not inherently involve weapon use. The discussion on the term highlighted the impediments China's no-first-use (NFU) create on discussions of potential Chinese actions and understandings how they may be perceived by others. It also exposed fundamental definitional differences between the two sides. Despite these problems, U.S. efforts to probe and highlight to Chinese participants what the United States understood as signals, at least made the definitional differences clearer to all involved.

The Chinese delegation emphasized the negative and coercive connotation Beijing ascribed to the term. This negativity resulted from a belief that signaling through nuclear weapons prior to an adversary's first strike could be construed as an abrogation of NFU. Yet, while NFU complicated the discussion, lengthy American questioning brought about some acknowledgement and discussion regarding certain Chinese actions that might also be signals. From the American perspective, signaling is not inherently coercive and can act as a potential method of escalation deterrence. Among most of the Chinese, nuclear signaling was deemed escalatory and "provocative." There were two exceptions to this majority Chinese view. A PLA-affiliated participant advised that China might "learn something" from U.S. views on signaling as an assurance mechanism and another Chinese participant pondered whether signals could act as confidence and security building mechanisms (CSBMs) to de-escalate during a crisis. Americans in the small group that discussed the term raised U.S.-Russian efforts to engender transparent nuclear signaling through dialogues and arms control; the capstone example being mutual ballistic missile launch notification. The Chinese side had not previously considered this more positive and constructive aspect of signaling.

One PLA-affiliated participant acknowledged that China engaged in passive and reactive nuclear signaling. These forms of signaling were meant to "demonstrate the reliable capability of counter strike" by "improving the survivability and strengthening of the nuclear arsenal and successful tests." While the PLA-affiliated participant also acknowledged that nuclear tests or the raising of alert levels might be understood as signaling, he simultaneously countered that some in China viewed these actions solely as routine capability enhancements, not signals. He also noted that Chinese nuclear forces were placed on alert only when "under imminent threat." Instead, the participant emphasized

that public statements from official sources (such as the Ministry of Foreign Affairs, Ministry of National Defense, and the Second Artillery) would be the most reliable form of signaling. Conversely, another Chinese participant described China's nuclear signaling in the 1969 crisis with the Soviets: according to him, given Moscow's hostile nuclear intent, Second Artillery preparations had a deterrent effect on Soviet adventurism. In response to this point, a PLA-affiliated participant argued that Chinese nuclear forces were placed on alert only when "under imminent threat." The complex issue of understanding whether something constitutes a signal or not provides fertile ground for misperception—particularly across distinct cultures where one favors strategic ambiguity—and will require further dialogue and definitional exercises to tease out cognitive dissonance. Consequently, participants agreed during small group discussions that direct contacts through thicker mil-to-mil linkages would be helpful.

Both sides shared a belief that authoritative documents in peacetime could function as signals. One PLA-affiliated participant emphasized the use of official documents, declaratory policy, and statements from Ministry of National Defense or Ministry of Foreign Affairs spokesmen as Chinese approaches toward reinforcing their second strike deterrent. He also suggested that the Second Artillery used media relations to convey messages. During small group discussions, one Chinese participant also considered a range of nuclear signals in the abstract, such as: nuclear warfare, nuclear capabilities, and broader intention signaling. This was not specifically connected to Chinese strategy.

In the plenary session, a U.S. participant probed a PLA-affiliated participant on the implications of PLA peacetime deployment patterns for inadvertent signaling, specifically whether Beijing would surge SSBNs in a crisis. In response, the Chinese participant anticipated that when China's new SSBN was operational it would be on a routine but not constant 24/7 patrol. In the case of an "imminent nuclear strike" against China, the seaward deployment of SSBNs was one possibility. He characterized an SSBN surge as a preparatory measure for nuclear retaliation, rather than an example of nuclear signaling.

## **AIR-SEA BATTLE (ASB)**

Commentary from the Chinese side regarding ASB was notably muted given Chinese interest in the topic. A U.S. academic in the room provided the traditional boilerplate statement that ASB was not

solely about China and highlighted the concept's utility in the Strait of Hormuz. His term definition paper also emphasized the competing bureaucratic rationales and infighting behind the concept's development. Stress was placed on ASB's call for command and control (C2) targeting, which may present risks of escalation.

Interestingly, one Chinese participant acknowledged that ASB may have in part grown out of U.S. fears from Chinese anti-access/areas-denial (A2/AD) strategies concerning Taiwan. He warned, however, that with cross-strait relations on the mend, the utility of A2/AD and ASB should wane. If not, according to him, there would be increased prospects for a new arms race.

This followed similar statements from other Chinese participants regarding the anxiety inducing conventional capabilities of the United States and their potential for causing an arms race. The discussion also highlighted Chinese uncertainty on whether ASB is in part preemptive of further Chinese A2/AD capabilities or a response to current Taiwan contingencies and Beijing's already developed forces and tactics. On a side note, the Chinese side also voiced concern that the mention of Iran and China in the same breath regarding ASB was unnecessarily inflammatory.

## **WAR CONTROL (战争控制)**

The more exact term according to the Chinese participant who submitted a discussion paper is War Situation Control (局势控制), which attempts to capture the need for Chinese military planners to prevent the escalation of war once conflict is at hand. The term's usage was said to be solely conventional and involved two interlinked meanings: 1) preparation prior to the outbreak of war so as to mitigate danger and crisis escalation; and 2) actions whilst in conflict to prevent spill over into other domains or theatre level escalation, which might include threats of a long and drawn out fight.

Chinese participants believed firmly that this term referred only to non-nuclear confrontation. A Chinese analyst summed up this reasoning succinctly: "We do not think nuclear weapons are usable" because "once war has gone nuclear it can't be controlled." His conception differs from an American academic and policy perspective that recognizes the possibility of "limited nuclear options." According to a PLA-affiliated participant, the term remained "purely conventional" as well and focused on avoiding escalation of local and limited wars into other realms. Yet, to control war



an actor must seize and maintain the initiative, which the U.S. side linked to escalation dominance and the possibility of inadvertent escalation through aggressive or offensive signaling.

Although the term did not relate to nuclear use, some Chinese attendees did espouse the view that any nuclear attack on China, no matter size or selectivity, would necessitate a total Chinese response, which inherently lacked any form of control or management. Specifically, according to a PLA-affiliated participant, “everything” would be launched. One U.S. participant appreciated this Chinese stance since a small arsenal afforded Beijing little ability for follow-on or more phased targeting during a nuclear level war. Following that statement, a Chinese participant allowed guardedly that theoretically if Beijing’s arsenal size changed in a way that brought it in line with America’s, a more discriminating targeting policy in Beijing might be considered.

Three U.S. participants raised the issue of inadvertent or purposeful conventional strikes on Chinese nuclear assets. One way that might occur would be due to a lack of Chinese transparency regarding dual-capable ballistic missiles and the mixed basing of nuclear and conventional weapons together. Chinese participants responded firmly to such discussions. A PLA-affiliated participant used the example of the 1999 Belgrade Embassy bombing to explain that conventional strikes on Beijing’s nuclear assets would enrage the Chinese public. Thus, Beijing would have trouble convincing or controlling public outcry for retaliation even if an attack was mistaken.

In response to a question from a U.S. participant, a Chinese participant acknowledged that war control in space and cyber had received little attention within China. One reason being that China perceived the United States as viewing attacks in the cyber realm as highly escalatory. If this understanding is more widely agreed on within China’s national security community, it would be tacit admission that certain cyber thresholds exist.

## **REBALANCING**

An American speaker opened the discussion on rebalancing by making clear that the concept was not altogether military-centric. Instead, he made an effort to talk about the economic and diplomatic initiatives inherent in U.S. rebalancing. In reply, a Chinese participant offered a balanced assessment of the term’s current play in international dialogue. While China emphasized the military aspects of

rebalancing, he believed the United States played up the economic and diplomatic components to make up for strategy's more tangible military elements. He also surmised that rebalancing would lead to a more competitive U.S.-China relationship but counseled that competition did not imply confrontation. Later in the discussion one U.S. participant reminded Chinese colleagues that North Korean intransigence also contributed to the military aspects of rebalancing.

One Chinese participant suggested that China had not been excluded from the Trans-Pacific Partnership (TPP). A U.S. participant pushed back on this assertion, arguing that China had offered no willingness to meet the conditions to become part of TPP, but states such as Malaysia and Vietnam were moving in that direction. Despite this back and forth on economic issues, the military aspects of rebalancing took center stage for the remainder of the discussion. On multiple occasions Chinese participants raised concerns on how nuclear assets fit into America's shift toward the Pacific. The primary reply, from the U.S. side, was that nuclear capabilities had no formal inclusion in rebalancing. Inherently, however, rebalancing involves the allocation of additional U.S. submarines into the Asia-Pacific, which seems to have caused a misreading within China. Several times one Chinese speaker asserted that American SSBN numbers were increasing in the Pacific. First, he referenced Secretary Panetta's Shangri-La speech as indicating an increased deployment of SSBNs. When this assertion was rebuffed, he then referenced a 2006 U.S. policy document, which according to him stated that 60% of U.S. submarines were being deployed to Pacific Command (PACOM). The U.S. side rejected this allegation as referring to SSNs not SSBNs.

This participant's points may be minor misinterpretations, but his uneasiness on the SSBN threat was shared by other Chinese attendees. Another point of contention raised by another speaker revealed a Chinese tendency to utilize Department of Defense documents, specifically the January 2012 Strategic Guidance, as the framework for understanding rebalancing in general. U.S. speakers directed the Chinese to look at documents from other government agencies not just the Defense Department, to develop a more comprehensive understanding of rebalancing's implications.

Rounding out the discussion, one Chinese participant, while accepting that America had legitimate interests in the Asia-Pacific that might require increased resources, cautioned U.S. policymakers that as the leading power they had "a responsibility to care about other's legitimate security concerns." Consequently, he asked for further transparency on rebalancing as it related to nuclear assets and

missile defense deployments; throughout the dialogue, however, he eschewed similar calls from the U.S. side for enhanced Chinese transparency.

## **NUCLEAR TABOO**

Facilitated by term framing papers, both sides came to the table with similar understandings of the concept. Nonetheless, a lack of deep Chinese theorizing on the nuclear taboo and predictable complaints regarding U.S. no-first-use (NFU) ambiguity contributed to a plenary session discussion of the Nuclear Taboo focused on critiques of American policy.

One Chinese delegate viewed even the discussion of nuclear use as taboo, but during “emergency crises” he sensed constraints on policymakers to use nuclear weapons might diminish—especially in the West. To an extent, one U.S. participant agreed, observing that the “taboo only exists to a certain threshold.” The Chinese delegate’s more general dissatisfaction with U.S. nuclear posture stemmed from a belief that Beijing’s NFU stance provided it the moral high ground on nuclear issues since NFU went beyond just a normative taboo. In addition, he fingered U.S. policy as degrading the taboo when American war planners opted for nuclear solutions to issues that conventional capabilities could not solve.

Within the breakout group, a U.S. participant pondered whether the taboo in the United States might be stronger than declaratory policy. Policy could change easily; yet, the taboo shaped and functioned at an elevated decision-making level. Likewise, a U.S. participant tried to explain why the United States lacked a clear-cut NFU declaration, namely that a political “reluctance to limit in advance the options” open to the president was the culprit. Furthermore, he acknowledged that this reluctance justifiably confused the Chinese. Still, he reiterated a point made throughout the dialogue: the lack of an NFU did not imply Washington practiced a first use policy. After these points were made, a Chinese participant repeated calls for the United States to strengthen the taboo by accepting an NFU policy, arguing that much of the work nuclear weapons were designed for could now be resolved conventionally.

In response to a comment from a U.S. observer both sides agreed that the nuclear taboo should not extend into the military, which according to a Chinese participant must follow orders. Both groups,

however, offered up asides that some in the military may not conform to the taboo and American participants were more open to discussing this alarming possibility. Another area of widespread agreement—due to similar starting definitions—regarded the key role social pressure played in cementing the taboo in the early years of the Cold War and into today.

## **CROSS-DOMAIN DETERRENCE (CDD)**

Chinese and American concerns on cross-domain escalation, attribution in these newer domains, and the possibility for misperception as both states navigate unfamiliar territory loomed large in this discussion. The space and cyber domains garnered the most attention and Chinese and American participants alike shared the term’s general implication that “deterrence in space or cyberspace cannot be domain limited.”

In the breakout group, a U.S. analyst recommended one goal for bilateral talks should be the “explicit” outlining of “what would happen if [one side] was backed into a corner.” In addition and especially regarding cyber, a U.S. participant called for a deeper delineation of clear and specific retaliatory actions that would provide comparable cost without risking escalation. The development and communication of these actions could provide a deterrent effect. It became clear in the plenary and breakout group that open lines of communication to limit inaccurate and provocative attribution would also be necessary. While attribution in space held less inherent difficulty, the difficulties of cyber attribution left both sides anxious. Indeed, the CDD discussion led more to questions in needs of answers than solutions. For example, the Chinese, particularly one PLA-affiliated participant, offered frequent expressions of “we haven’t figured out how to think about cyber [or] space” issues in relation to cross-domain deterrence or war control. On the other hand—although specific capabilities were not mentioned—Chinese interlocutors cautioned that new American efforts to maintain dominance in specific domains would lead to increased tension and arms racing.

The Chinese side acknowledged an intrinsic interaction between space/cyber and other domains and also displayed an emerging awareness that the United States views attacks on cyber or space as potentially very escalatory. This discussion seemed to reflect an evolving Chinese understanding of

the traditional dangers that attacking "national technical means" or early warning assets might have, as well as the potential for dangerous cascades to occur as a result of (further) kinetic attacks.

Attribution is a hotly debated issue in Washington's cyber talking shops and from Chinese probing it would seem the same is true for Beijing. One Chinese attendee pondered how intentional attacks should be defined as compared to accidents and another voiced a concern that mischievous hackers could bring the United States and China to blows. In response, a U.S. participant proposed a cyber-hotline meant to combat mistaken attribution. This proposal did not fall on deaf ears; one Chinese interlocutor even referred to it as a "good idea."

Throughout the dialogue but particularly when discussing CDD, the Chinese delegation seemed to display a greater awareness of U.S. warnings that cyber or space attacks were deemed highly escalatory. Increased awareness may be a result of cautious notices from American participants emphasizing the possibility that attacks in one domain may not incur retaliation in the same domain. Finally, both sides acknowledged mutual vulnerability in the space and cyber domains, which means the time is now ripe for bilateral agreements or frameworks to lock in mutual vulnerability. Previous non-interference pledges negotiated with the Soviets during the Cold War may provide some basis for the above proposition.

### **(MISSILE DEFENSE) COUNTERMEASURES (反措施/□□措施)**

The breakout and plenary discussion on countermeasures lacked technical specificity. Consequently, the discussion focused on the broader political implications of countermeasures. More to the point, however, the U.S. side acknowledged that it seemed logical for China to consider a countermeasure program if Beijing believed its minimum deterrent was at risk. U.S. missile defense deployments to the Asia-Pacific—termed the "pursuit of absolute security" by one PLA-affiliated participant—posed the greatest chance of provoking China's countermeasure development according to some participants. Chinese participants defined countermeasures very broadly. For example, one counted secrecy as a countermeasure and more generally the building up of warhead numbers was also included. American attendees mentioned concepts such as more technologically sophisticated countermeasure (increasing warhead maneuverability, decoys, and chaff).

Two Chinese participants argued that U.S.-China political relations framed Beijing's decision on whether to develop countermeasures. Since current relations were stable, no need existed. Yet, both cautioned that changed Sino-American dynamics could alter this calculus. To prevent this change, a Chinese participant recommended certain measures be implemented to assuage Chinese fears that U.S. missile defense was aimed at Beijing. The construction of a shared early warning radar was not particularly useful but the idea of further data exchange—on the closing speed of U.S. interceptors—or formal observations to highlight the limited ambitions of U.S. missile defense did raise mutual agreement for further consultation. The request for greater transparency, however, was based on assumptions that China must not proliferate countermeasures to North Korean and must make efforts toward greater transparency. If proliferation occurred it would require advanced U.S. missile defense deployments, which, as acknowledged by both sides, would lead to an arms race.

## APPENDIX

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Seventh U.S.-China Strategic Dialogue  
**“US-China Strategic Dynamics through Multiple Lenses”**

Co-hosted by NPS; Pacific Forum CSIS;  
and China Arms Control and Disarmament Association

June 7-10, 2012

Maui, Hawaii

### DIALOGUE AGENDA

#### FRIDAY, JUNE 8

0830-0900     **Opening and Welcome**

0900-1030     **General Strategic Threat Perception and Role of Nuclear Weapons in National Strategies**

How does each side view its strategic situation (where “strategic” centers on nuclear issues, but extends beyond)? What new threats have arisen in the past few years? How does each side’s strategic policy (including any adjustments in forces) address those strategic threats?

1045-1245     **Lessons from Comparative Views of India/Pakistan Strategic Stability and Nuclear Strategy/Doctrine**

How does each side understand the strategic situation in South Asia? Was there a serious risk of intentional or unintentional escalation to the strategic level in the recent 1999 and 2001 crises? Are there any dangers of “losing control” of the situation? Have any recent changes by either side put greater pressure on maintaining stability (e.g., Indian Cold Start operational concepts and Pakistan’s evolving nuclear policy)? What role have CSBMs played in addressing these dangers?

1415-1630     **Breakout Discussions of Terminology**

Three groups, American and Chinese participants on each, will discuss a mix of terms. One-page discussions will be distributed in advance.

Nuclear Taboo, Cross Domain Deterrence, Close protection (严密防护) / Survivability, Stability/Instability Paradox, Rebalancing, Nuclear Signaling, Air-Sea Battle, War Control (战争控制), (Missile Defense) Countermeasures (Missile Defense) Countermeasures (反措施/应对措施)

## **SATURDAY, JUNE 9**

0830-1145    **Terminology Plenary Sessions (i.e., breakout group outbriefs)**

1300-1445    **Space Security: National Threat Perceptions and Common Interests**

What are each side's views of their central security interests in outer space? What threatens those interests and stability in the space security environment? What is each side's space security policy? How is space security related to strategic (i.e., nuclear) security and stability? What potential areas of cooperation exist for the U.S. and China in space security? What might be included in a code of conduct to mitigate dangers?

1500-1630    **Multilateral CSBMs/Reassurances/Transparency**

Building on previous meeting's discussions of bilateral measures, and cognizant of ongoing P-5 efforts, what are the most likely prospects of a multilateral nature?

1630-1700    **Wrap up and Conclusion**