

A REPORT OF THE CSIS  
JAPAN CHAIR

# The U.S.-Japan Alliance

ANCHORING STABILITY IN ASIA

*Authors*

Richard L. Armitage  
Joseph S. Nye

August 2012



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OUR FUTURE

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Center for Strategic and International Studies  
1800 K Street, NW, Washington, DC 20006  
Tel: (202) 887-0200  
Fax: (202) 775-3199  
Web: [www.csis.org](http://www.csis.org)



# CONTENTS

|                                |    |
|--------------------------------|----|
| Study Group Participants       | iv |
| Study Group Signatures         | v  |
| Introduction                   | 1  |
| Energy Security                | 2  |
| Economics and Trade            | 6  |
| Relations with Neighbors       | 7  |
| Toward a New Security Strategy | 11 |
| Conclusion                     | 15 |
| Recommendations                | 16 |
| About the Authors              | 19 |



## STUDY GROUP PARTICIPANTS

The following individuals participated in the study group process through which the report was produced. Dr. Nye and Mr. Armitage are grateful for the arduous efforts and support from the study group participants.

**David Asher**

*Nonresident Senior Fellow, Center for a New American Security*

**Kara L. Bue**

*Partner, Armitage International*

**Victor Cha**

*Senior Adviser and Korea Chair, CSIS, and Professor of Government and Director of Asian Studies, Georgetown University*

**Michael Green**

*Senior Adviser and Japan Chair, CSIS, and Associate Professor, Georgetown University*

**Robert McNally**

*President and Founder, The Rapidan Group*

**Isabella Mroczkowski (Rapporteur)**

*Research Assistant, Project 2049 Institute*

**Kevin G. Nealer**

*Principal and Partner, Scowcroft Group*

**Torkel Patterson**

*President, U.S.-Japan MAGLEV, LLC*

**Robin Sak Sakoda**

*Partner, Armitage International*

**Randall Schriver**

*Partner, Armitage International, and President and CEO, Project 2049 Institute*



## STUDY GROUP PARTICIPANT SIGNATURES

RL Armitage Rich Armitage for Dr. Dye (hydroquinone)

Adam Johnson

Kevin Nealon

Tom L. Bue

Russell M. Schier

Justin Clark

Torkal Patz

Shrey

Eric S. Devita

Bob Mowley

Isabella Mroczkowska







# THE U.S.-JAPAN ALLIANCE

## ANCHORING STABILITY IN ASIA

### Introduction

This report on the U.S.-Japan alliance comes at a time of drift in the relationship. As leaders in both the United States and Japan face a myriad of other challenges, the health and welfare of one of the world's most important alliances is endangered. Although the arduous efforts of Assistant Secretary of State Kurt Campbell and his colleagues in both governments have largely kept the alliance stable, today's challenges and opportunities in the region and beyond demand more. Together, we face the re-rise of China and its attendant uncertainties, North Korea with its nuclear capabilities and hostile intentions, and the promise of Asia's dynamism. Elsewhere, there are the many challenges of a globalized world and an increasingly complex security environment. A stronger and more equal alliance is required to adequately address these and other great issues of the day.

For such an alliance to exist, the United States and Japan will need to come to it from the perspective, and as the embodiment, of tier-one nations. In our view, tier-one nations have significant economic weight, capable military forces, global vision, and demonstrated leadership on international concerns. Although there are areas in which the United States can better support the alliance, we have no doubt of the United States' continuing tier-one status. For Japan, however, there is a decision to be made. Does Japan desire to continue to be a tier-one nation, or is she content to drift into tier-two status? If tier-two status is good enough for the Japanese people and their government, this report will not be of interest. Our assessment of, and recommendations for, the alliance depend on Japan being a full partner on the world stage where she has much to contribute.

In posing this question, we are cognizant of the problems confounding Japan's influence and role in the world today. Japan has a dramatically aging population and declining birth rate. Her debt-to-GDP ratio is over 200 percent. The Japanese people have been served by six different prime ministers in six years. And, there is a growing sense of pessimism and inward focus among many young Japanese. But, Japan is not destined to see her importance wane. Japan is fully capable of remaining a tier-one nation. It is only a question of her disposition.

As many challenges as Japan faces, there exist many underappreciated and underutilized dimensions of Japan's national power and influence. Japan is the world's third-largest economy, with a consumer sector twice the size of China's. Japan continues to have tremendous economic potential that could be unleashed by reform and competition. More openness to free trade and immigration and greater participation by women in the workforce would add significantly to Japan's gross domestic product (GDP) growth. Japan's soft power is also considerable. She rates among the top three countries in international respect and first in the world in terms of "national brand."

Japan's Self-Defense Forces (JSDF)—now the most trusted institution in Japan—are poised to play a larger role in enhancing Japanese security and reputation if anachronistic constraints can be eased.

Japan is not an insignificant country positioned in a quiet part of the world. The United States and others rely on Japan as the maritime lynchpin to a stable, strategic equilibrium in the Asia-Pacific region; the second-largest contributor to the United Nations (UN), International Monetary Fund (IMF), and other leading multinational institutions; and the host of U.S. forces that keep sea-lanes open for the world's most dynamic hemisphere.

The United States needs a strong Japan no less than Japan needs a strong United States. And, it is from this perspective that we address the alliance and its stewardship. For Japan to remain standing shoulder-to-shoulder with the United States, she will need to move forward with us. Japan has been a leader in Asia in the past and can continue to be in the future.

*The following report presents a consensus view of the members of a bipartisan study group on the U.S.-Japan alliance. The report specifically addresses energy, economics and global trade, relations with neighbors, and security-related issues. Within these areas, the study group offers policy recommendations for Japan and the United States, which span near- and long-term time frames. These recommendations are intended to bolster the alliance as a force for peace, stability, and prosperity in the Asia-Pacific region and beyond.*

## Energy Security

### Nuclear Energy

The tragedies of March 11, 2011, are fresh in our minds, and we extend our deepest condolences to all victims and those afflicted by the earthquake, tsunami, and subsequent nuclear meltdown. Understandably, the Fukushima nuclear disaster dealt a major setback to nuclear power. The setback reverberated not only throughout Japan, but also around the world. While some countries like Great Britain and China are cautiously resuming nuclear expansion plans, others, like Germany, have decided to phase out nuclear power entirely.

Japan is conducting thorough examinations of its nuclear reactors and reforming its nuclear safety regulations. Despite strong public opposition to nuclear power, Prime Minister Yoshihiko Noda's government has begun a partial restart of two nuclear reactors. Further restarts depend on safety checks and local approval. The cautious resumption of nuclear generation under such conditions is the right and responsible step in our view.

Japan has made tremendous progress in boosting energy efficiency and is a world leader in energy research and development. While the people of Japan have demonstrated remarkable national unity in reducing energy consumption and setting the world's highest standards for energy efficiency, a lack of nuclear energy in the near term will have serious repercussions for Japan. Without a restart of nuclear power plants, Japan will not be able to make meaningful progress toward her goal of cutting carbon dioxide (CO<sub>2</sub>) emissions by 25 percent by 2020. Nuclear power is and will remain the only substantial source of emissions-free, base load electricity generation. Environment Ministry data reportedly shows that without a nuclear restart, Japan's emissions can fall at most by

11 percent by 2020; but with a restart, emissions reductions could approach 20 percent.<sup>1</sup> A permanent shutdown would boost Japan's consumption of imported oil, natural gas, and coal. Moreover, postponing a decision on national energy policy has the potential to drive vital, energy-dependent industries out of Japan and may threaten national productivity.

A permanent shutdown will also stymie responsible international nuclear development, as developing countries will continue to build nuclear reactors. China, which suspended reactor approvals for over a year following Fukushima (but did not suspend progress on ongoing projects), is restarting domestic construction of new projects and could eventually emerge as a significant international vendor. As China plans to join Russia, South Korea, and France in the major leagues of global development in civilian nuclear power, Japan cannot afford to fall behind if the world is to benefit from efficient, reliable, and safe reactors and nuclear services.

For its part, the United States needs to remove uncertainty surrounding disposal of spent nuclear waste and implement clear permitting processes. While we are fully cognizant of the need to learn from Fukushima and implement corrective safeguards, nuclear power still holds tremendous potential in the areas of energy security, economic growth, and environmental benefits. Japan and the United States have common political and commercial interests in promoting safe and reliable civilian nuclear power domestically and internationally. Tokyo and Washington must revitalize their alliance in this area, taking on board lessons from Fukushima, and resume a leadership role in promoting safe reactor designs and sound regulatory practices globally. The 3-11 tragedy should not become the basis for a greater economic and environmental decline. Safe, clean, responsibly developed and utilized nuclear power constitutes an essential element in Japan's comprehensive security. In this regard, U.S.-Japan cooperation on nuclear research and development is essential.

## Natural Gas

Recent positive developments in natural gas could rekindle bilateral energy trade in ways few thought possible just a few years ago. The discoveries of large new shale gas reserves in the lower 48 states have made the United States the world's fastest growing natural gas producer. The International Energy Agency (IEA) noted that the planned expansion of the Panama Canal in 2014 would enable 80 percent of the world's liquefied natural gas (LNG) fleet to use the canal, dramatically lowering shipping costs and making LNG exports from the U.S. Gulf Coast dramatically more competitive in Asia.<sup>2</sup>

The shale gas revolution in the continental United States and the abundant gas reserves in Alaska present Japan and the United States with a complementary opportunity: the United States should begin to export LNG from the lower 48 states by 2015, and Japan continues to be the world's largest LNG importer. Since 1969, Japan has imported relatively small amounts of LNG from Alaska, and interest is picking up in expanding that trade link, given Japan's need to increase and diversify its sources of LNG imports, especially in light of 3-11.

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1. Rick Wallace, "Japan Carbon Hopes Resting on Nuclear," *The Australian* (Sydney), May 25, 2012, <http://www.theaustralian.com.au/news/health-science/japan-carbon-hopes-resting-on-nuclear/story-e6frg8y6-1226366138315>.

2. International Energy Agency (IEA), *Medium-Term Oil and Gas Markets 2010* (Paris: International Energy Agency, 2010), p. 264, <http://www.iea.org/papers/2011/mtogm2010.pdf>.

However, companies in the United States seeking to export LNG to a country that does not have a free trade agreement (FTA) with the United States, and more specifically a gas national treatment clause in its FTA, must first get approval from the U.S. Department of Energy (DOE) Office of Fossil Energy. Sixteen FTA countries, receive DOE export approval (although other regulatory and permitting requirements apply), but most of these are not major LNG importers.

For non-FTA countries like Japan, the permit is granted unless DOE concludes it would not be in the “public interest” of the United States. The Kenai LNG terminal routinely received DOE permits to export from Alaska to Japan. But as the potential for LNG exports from the lower 48 states emerges, DOE’s permitting process is coming under political scrutiny. In addition to the Sabine Pass LNG project, which already received a DOE non-FTA permit, there are eight other permits for LNG projects in the lower 48 waiting for DOE approval.

Activists oppose LNG exports on environmental or economic grounds. There are concerns that exports will raise domestic U.S. natural gas prices and weaken the competitiveness of domestic industries that rely heavily on natural gas. A recent policy brief by the Brookings Institution refuted this claim and concluded that the likely volume of future exports will be relatively small compared to total U.S. natural gas supply, and the domestic price impacts would be minimal and not undermine wider use of gas for domestic, industrial, and residential uses.<sup>3</sup> Limiting LNG exports needlessly deters investment in U.S. shale gas and LNG export projects.

The United States should not resort to resource nationalism and should not inhibit private-sector plans to export LNG. U.S. policymakers should facilitate environmentally responsible exploitation of these new resources while remaining open to exports. Moreover, in a time of crisis for Japan, the United States should guarantee no interruption in LNG supply (barring a domestic national emergency that the president would declare) going to Japan under previously negotiated commercial contracts and at prevailing commercial rates, ensuring a constant and stable supply. As part of the security relationship, the United States and Japan should be natural resource allies as well as military allies. This area of cooperation remains insufficiently developed.

Further, the United States should amend current legislation inhibiting LNG exports to Japan. Ideally, Congress would remove the FTA requirement for an automatic permit, creating a rebuttable presumption that LNG exports to any country with which we enjoy peaceful relations are in the national interest. Alternatively, Congress should deem Japan to be an FTA country for purposes of LNG exports, putting Japan on an equal footing with other potential customers. At the very least, the White House should fully support and prioritize export projects associated with Japan as it considers permits under current law.

With proper policy support, natural gas can revitalize bilateral trade and also increase Japan’s foreign direct investment (FDI) in the United States. While the gas supply in North America is significant, there are concerns that the United States lacks adequate terminal, port, and associated on-shore transportation systems needed to handle potential tanker traffic.<sup>4</sup> Without large infrastructure investments, U.S. gas production cannot grow. This is yet another valid reason for amending the law to grant Japan equal footing with other FTA customers for U.S. natural gas.

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3. Charles Ebinger, Kevin Massy, and Govinda Avasarala, *Liquid Markets: Assessing the Case for U.S. Exports of Liquefied Natural Gas* (Washington, DC: Brookings Institution, May 2012), [http://www.brookings.edu/~media/research/files/reports/2012/5/02%20lng%20exports%20ebinger/0502\\_lng\\_exports\\_ebinger](http://www.brookings.edu/~media/research/files/reports/2012/5/02%20lng%20exports%20ebinger/0502_lng_exports_ebinger).

4. AFP, “U.S. Not Ready for Larger Panama Canal: Experts,” *Taipei Times*, May 16, 2011, <http://www.taipetimes.com/News/world/archives/2011/05/16/2003503394>.

## Methane Hydrates: A Potentially Transformational Opportunity Deserving Enhanced Energy Cooperation

Another promising but more uncertain and longer-term area of bilateral cooperation is methane hydrates. Methane hydrates are natural gas crystals trapped in deeply buried ice formations. If significant economic and technological hurdles can be overcome, methane hydrate reserves would dwarf those of current conventional and unconventional gas.

Methane hydrate deposits off south-central Japan are estimated at 10 years' worth of domestic consumption of natural gas, and globally the resource has been estimated to be as high as 700,000 trillion cubic feet,<sup>5</sup> well over 100 times the current proven reserves of natural gas. Methane hydrates are distributed widely onshore and offshore, especially in polar regions and outer continental shelves.<sup>6</sup> Even if, as experts expect, only a small portion of methane hydrates could be developed, they would likely still greatly exceed estimates of current natural gas reserves.

Japan and the United States cooperate closely in research and development of potential large-scale methane hydrate production. In May, a U.S.-Japan field trial on Alaska's north slope successfully extracted methane hydrates by pumping in and sequestering CO<sub>2</sub>, demonstrating both energy supply and environmental benefits. In light of the transformational potential of eventual large-scale methane hydrate production, we recommend that the United States and Japan accelerate progress on researching and developing cost-effective and environmentally responsible production of methane hydrates. Moreover, the United States and Japan should commit to research and development of alternative energy technologies.

## Securing the Global Oil and Gas Commons

For the foreseeable future, the world economy will run primarily on fossil fuels, and oil will retain a near monopoly in transportation. Japan, currently the world's third-largest oil importer, and the United States increasingly share a core strategic interest in ensuring that shifts in global oil trade do not destabilize global geopolitics and threaten access to, and shipment from, energy suppliers in the Middle East. While rising oil production in Canada, the United States, and Brazil may make the Americas less dependent on imports from other regions, the next major shift in the global oil market is likely to be a massive surge in flows of oil and gas from Middle East producers to increasingly wealthy Asian consumers (though rising Middle East energy consumption will compete for export barrels). Current forecasts for future oil supply and demand suggest that the Persian Gulf will play an even more important role in supplying the world's oil in the next 40 years than it did in the last. The Persian Gulf is also a crucial supplier of LNG—Qatar's Ras Laffan liquefaction plant supplies one-third of traded LNG.

Increased global dependence on Persian Gulf energy supplies and higher flows of energy from the Persian Gulf to Asia will increase the importance of protecting the global commons. Japanese naval vessels began antipiracy missions off of Somalia in 2009, and despite higher oil demand requirements for power generation after 3-11, Japan reduced her imports of oil from Iran by one-

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5. Charles Batchelor, "Fire Ice: Gas Source is Little Understood," *Financial Times*, June 1, 2012, <http://www.ft.com/intl/cms/s/0/506686c4-a4d0-11e1-9a94-00144feabdc0.html#axzz1y968sb2w>.

6. National Energy Technology Laboratory (NETL), *Energy Resource Potential of Methane Hydrate* (Washington, DC: U.S. Department of Energy, February 2011), [http://www.netl.doe.gov/technologies/oil-gas/publications/Hydrates/2011Reports/MH\\_Primer2011.pdf](http://www.netl.doe.gov/technologies/oil-gas/publications/Hydrates/2011Reports/MH_Primer2011.pdf).

third over the first five months of 2012, in compliance with U.S. sanctions. Going forward, Tokyo's increased participation in multinational efforts to combat piracy, protect Persian Gulf shipping, confront threats to regional peace, such as those currently posed by Iran's nuclear program, and secure sea-lanes will be needed and welcome.

## Economics and Trade

In November 2011, Prime Minister Noda announced Japan's engagement in pre-consultations for entering the Trans-Pacific Partnership (TPP). Once fully realized, TPP will account for 40 percent of world trade and include at least 11 nations across the Atlantic and the Pacific. Moreover, unlike other regional FTAs, TPP stands out as a comprehensive, high-level, and legally binding free trade agreement. Since the announcement last year, Japan has been slow to make progress on entering TPP. The breadth of issues and the number of actors involved in negotiations require more time and attention to detail; however, it is in Japan's economic security interests to cease delaying entry into negotiations. Furthermore, it is incongruous that Japan does not have an FTA with its most important ally, and we strongly encourage Japan to enter negotiations. For its part, the United States should shed more light and transparency on the negotiation process and on draft agreements.

## Energizing and Securing the U.S.-Japan Economic Relationship

In addition to TPP deliberations, we propose a bold, innovative multilateral free trade agreement. Japan has an FTA with Mexico and is exploring an FTA with Canada—two of the United States' most important trading partners and participants in the world's largest FTA, the North American Free Trade Agreement (NAFTA). A Comprehensive Economic, Energy, and Security Agreement (CEESA) joining the United States, Japan, Canada, and Mexico would substantially broaden and deepen the U.S.-Japan economic, security, and strategic energy relationship. Japan has critical energy security needs and is long on capital to invest. Japan needs to boost financial returns on foreign investment outside to compensate for its internal economic and demographic challenges. In turn, the United States—and North America, writ large—is awash with natural gas development opportunities but short on capital for infrastructure investment.

CEESA has three core elements:

1. Japan negotiates FTAs with Canada and the United States—alongside its existing FTA with Mexico—toward creating a partnership with NAFTA. As a signatory to an FTA with each NAFTA member, Japan would be allowed unfettered access to North American energy and would be well-positioned to take advantage of North American infrastructure and strategic energy investment opportunities.
2. The United States pledges to safeguard the flow of LNG and other forms of “strategic energy” for export to Japan as part of the U.S.-Japan security alliance.
3. Japan pledges to invest \$100 billion to \$200 billion in North America to boost development of energy options, including natural gas, oil, coal, wind, solar, and nuclear over the next decade.

We believe CEESA would be consistent with evolution in current trade policy, not a departure from it. Japan already has an FTA with Mexico and has announced its intention to negotiate an FTA with Canada. The next step is to work toward negotiations with the United States—Japan's

most important ally and largest trade and investment partner. An FTA with Canada, Mexico, and the United States would do more to safeguard Japan's economic, energy, and financial security than any other means we can think of. Not only would the three FTAs safeguard Japan's energy supply, they would also grant Japan free trade access to American, Canadian, and Mexican agricultural products—ensuring a stable food supply. Japan's farmer population is rapidly declining, the nation's population is aging, and the average farmer age has risen above 66. With this outlook, Japan cannot afford to postpone adjustments to its agricultural trade policy. The remaining agricultural barriers that stand in the way of an FTA are easily surmountable if all parties think in terms of genuine economic and food security, rather than defensive trade strategies that are unsustainable. If the Republic of Korea (ROK) can successfully negotiate an FTA with the United States, Japan can too.

By signing onto CEESA, Japan would become fundamentally integrated in the fastest growing part of the advanced industrialized world, support the bridge-building between advanced and emerging economies embodied by TPP, and spur global economic growth by creating the world's largest free trade zone.

## Relations with Neighbors

### Robust U.S.-Japan-ROK Relations

Absolutely critical to the alliance and the region's stability and prosperity are strong U.S.-Japan-ROK relations. The three democratic allies in Asia share common values and strategic interests. Building on this foundation, Washington, Tokyo, and Seoul should pool their diplomatic capital to jointly deter North Korean pursuit of nuclear weapons and help shape a regional environment best suited to respond to China's re-rise.

An area where all three nations have deep interests in defining the future rules of the international system is nuclear energy. As China rises among the ranks of nuclear powers, it will become crucial for allies like Japan and ROK—both important actors in the global market—to ensure proper safeguards, nonproliferation practices, and high standards of transparency in the production of nuclear energy. With the United States' footprint in the nuclear energy sector receding due to policy uncertainty, unfavorable economics (mainly due to low natural gas prices), and the absence of a renewed 123 agreement with ROK, it is especially timely for Tokyo and Seoul to assume a greater role in defining the standards for global nuclear energy generation. Japan's recommitment to safe nuclear energy and ROK's commitment to the highest standards of transparency and nonproliferation as a global nuclear energy supplier will be critical to ensuring the future of this regime.

Another area for trilateral cooperation is overseas development assistance (ODA). The United States currently has strategic development assistance agreements with Japan and ROK. All three countries view development from similar conceptual perspectives, and each is a major global provider of assistance. ROK is the first net recipient of donor assistance in the world to become a net provider. Its largest recipients today are Afghanistan and Vietnam—countries that are strategically important for both the United States and Japan. ROK now has a 4,000-strong version of its own Peace Corps with young men and women engaged in development and good governance projects around the world. The three allies would benefit from pooling their visions and funds into a collaborative arrangement as they promote strategic development around the world.

In addition to common values and common economic interests, the United States, Japan, and ROK share common security concerns. The core areas of convergence posit the three democracies as natural allies. Short-term differences, however, stifle progress on much-needed trilateral collaboration to deter North Korean pursuit of nuclear weapons and promote a regional environment best suited to handle China's re-rise.

It is not the place of the U.S. government to render judgment on sensitive historical issues; however, the United States must exert full diplomatic efforts to diffuse tensions and refocus the attention of its allies on core national security interests and the future. For the alliance to realize its full potential, it is essential for Japan to confront the historical issues that continue to complicate relations with ROK. While we understand the complex emotional and domestic-political dynamics of such issues, political acts like the recent ROK Supreme Court decision allowing individual reparation cases to be heard, or efforts by the government of Japan to lobby local U.S. officials not to erect comfort women monuments, only inflame sentiments and distract South Korean and Japanese leaders and their respective publics from the broader strategic priorities they share and must act upon.

Seoul and Tokyo should reexamine their bilateral ties through a realpolitik lens. Historical animosity is not strategically threatening to either country. The two democracies will not go to war over these issues, given the economic, political, and security equities both have in the relationship. However North Korean belligerence and increasing Chinese military strength, capability, and assertiveness pose genuine strategic challenges to both countries. Since 2010, North Korea's nuclear and missile threats have been augmented by provocative conventional military acts such as the sinking of the South Korean naval vessel *Cheonan* and the artillery shelling of Yeonpyeong Island. Kim Jong-un's most recent long-range missiles tests and power struggles with the military further deprive Northeast Asia of peace. The allies should resist the temptation to resurrect deep historical differences and to utilize nationalist sentiments for domestic political purposes. The three allies should expand informal track 2 efforts to address historical issues. Several such forums exist at present, but the participants should actively work on consensus documents regarding common norms, principles, and interactions on historical issues and take those ideas to their respective governments.

The June 2012 U.S.-Japan-ROK participation in trilateral naval drills represents a step in the right direction in putting aside divisive historical issues to face larger present-day threats. Additionally, quick movement to conclude pending defense pacts such as the General Security of Military Information Agreement (GSOMIA), which would allow Tokyo and Seoul to systematically share intelligence information on North Korea, and the Acquisition and Cross-Servicing Agreement (ACSA), which promotes sharing of military supplies, are the sorts of practical and working-level military arrangements beneficial to the security interests of the three allies.

## Re-Rise of China

China's meteoric rise in economic heft, military muscle, and political clout over the past three decades has not only dramatically revamped the world's most populous nation, it has also decisively shaped East Asia's post-Cold War geopolitical landscape. Far from being a constraint on China's re-rise, the strong U.S.-Japan alliance has contributed to it by helping to provide a stable, predictable, and secure environment within which China has flourished. The alliance has a stake in China's success. However, the lack of transparency and ambiguity as to how China intends to



use its newfound power—to reinforce existing international norms, to revise them according to Beijing’s national interests, or both—is an area of growing concern.

One area of particular unease is China’s possibly expanding core interests. In addition to the official three—Xinjiang, Tibet, and Taiwan—there has been reference to the South China Sea and the Senkaku Islands as emerging interests. While the latter are unofficial and undeclared, the People’s Liberation Army (PLA) Navy’s increased presence in the South China Sea and East China Sea leads us to deduce otherwise. The shared theme of sovereignty further raises questions about Beijing’s intentions in the Senkakus and the South China Sea. One thing is certain—China’s ambiguity of core interest claims further reduces its diplomatic credibility in the region.

The alliance’s strategy toward China has been a blend of engagement and hedging, befitting the uncertainties about how China might choose to use its rapidly growing comprehensive national power. But most aspects of the allied hedge against China’s growing military power and political assertiveness—the gradual expansion in the geographic scope of alliance activities, joint work on missile defense technologies, heightened attention to interoperability and to missions related to sustaining sea lines of communication, efforts to strengthen regional institutions such as the Association of Southeast Asian Nations (ASEAN), renewed focus on freedom of navigation, and the launch in December 2011 of a new trilateral U.S.-Japan-India strategic dialogue—have been based on the assumption that China will continue along a path of high economic growth, making possible comparable increases in defense spending and capabilities.

That assumption is no longer assured. As China moves into its fourth decade since the launch of “reform and opening up” by Deng Xiao-ping in 1979, there are many indications that growth is slowing. Questions exist about the ability of China to move from an export-led to internal-consumption-driven economy. In the years ahead, China’s leaders will have to tackle at least six demons: energy constraints, calamitous environmental degradation, daunting demographic realities, widening income inequality among people and provinces, restive ethnic minorities in Xinjiang and Tibet, and endemic official corruption. Economic success adds to this list the uncertainty of coping with the “middle income trap,” whereby a growing middle income cohort puts exceptional pressure on the Chinese political structure to meet rising expectations. Any one of these challenges could derail China’s economic growth path and threaten social stability. The Chinese Communist Party (CCP) is aware of these daunting challenges, which is one reason its leaders boosted spending on internal security to more than \$120 billion for 2012, roughly comparable to the defense budget. The PLA remains focused on developing the wherewithal to deal with external threats, including deterring Taiwan from moves toward *de jure* independence. But, the CCP is equally concerned about internal threats.

A China that stumbles badly could present the alliance with challenges that are not necessarily smaller—just *different*. We all have much to gain from a peaceful and prosperous China. Alternatively, Chinese leaders confronting severe internal fissures could take refuge in nationalism, perhaps exploiting an external threat, real or imagined, to re-forge unity. To sustain order, the leadership could turn to ever more draconian measures, exacerbating existing human rights violations, alienating some foreign partners, and undermining the political consensus that has driven Western engagement with China since the Nixon opening 40 years ago.

Alternatively, a future president of China might embrace a new round of political reforms, as called for by Premier Wen Jia-bao, with different consequences for China’s domestic politics and external posture. Only one thing is certain: the alliance must develop capabilities and policies

adaptable to China's changing trajectory and a broad range of possible futures. High economic growth and static political authority are not the future China's new leaders are expecting, and we should be informed by their judgment.

## Human Rights and the U.S.-Japan Alliance: Developing an Action Agenda

The April 30, 2012, Joint Statement on the future of the U.S.-Japan alliance includes explicit references to the common values that cement the relationship: "Japan and the United States share a commitment to democracy, the rule of law, open societies, human rights, human security, and free and open markets; these values guide us in our joint efforts to address the global challenges of our time." The Joint Statement later pledges to operationalize these common values: "We pledge to work together to promote the rule of law, protect human rights, and enhance coordination on peacekeeping, post-conflict stabilization, development assistance, organized crime and narcotics trafficking, and infectious diseases."

Developing a more concrete action agenda on human rights is an admirable goal, and there are plenty of targets of opportunity. Advancing democratic reforms in Burma (Myanmar) should be a high priority. The United States and Japan should take advantage of the economic leverage provided by private-sector investment, foreign assistance, and loans from international financial institutions to advance good governance, rule of law, and adherence to international norms of human rights. By setting the highest standards for corporate social responsibility and by ensuring that all of Burma's stakeholders—including ethnic minorities and political opposition parties—are consulted and engaged in Burma's economic future, Washington and Tokyo can bolster those in Burma who are working to transform the nation from a brutal military dictatorship into a truly representative democracy. Similar concerted efforts, if guided by a genuine commitment to advancing international humanitarian law and protecting civil society, could pay dividends in Cambodia and Vietnam, two nations with poor human rights records where the United States has recently stepped up security cooperation, and where Japan has significant economic and political stakes.

Closer to Japan, North Korea presents a conundrum. Pyongyang's human rights abuses are well documented and egregious, and both the United States and Japan have spoken out about them. But, the United States has traditionally viewed human rights concerns in North Korea as a distraction from the "main event" of denuclearization, and Japan has largely focused on the fate of Japanese citizens abducted by North Korea years ago. We reaffirm our support for Japan's efforts to receive a full accounting of all abductees, and we recommend that Japan and the United States cooperate closely on this issue within the context of a broader strategy for effective engagement on human rights and other issues with North Korea.

The solution for the alliance, along with ROK, may lie in expanding the scope of concern, addressing the whole range of humanitarian issues on the Korean peninsula: not only abductions, gulags, and severe restrictions on political and religious freedom, but also food security, disaster relief, public health, education, and cultural exchange. With the Six-Party Talks on the denuclearization of the peninsula effectively suspended, a humanitarian-focused agenda, closely coordinated with Seoul and other concerned partners, could offer the allies an opportunity to reshape the strategic environment within which Pyongyang's new leadership will chart North Korea's future.

# Toward a New Security Strategy

## Regional Security Engagement

In addition to engagement on functional issues such as nuclear energy, ODA, and human rights, Tokyo would be well-served to continue its engagement with regional forums, namely ASEAN, the ASEAN Regional Forum (ARF), the Asia-Pacific Economic Cooperation (APEC), as well as with democratic partners in the region, especially India, Australia, the Philippines, and Taiwan. Japan has enhanced the basis for ties with regional partners beyond common values and toward common interests and goals. Japan should continue collaboration with regional partners to promote a peaceful and lawful maritime environment, to ensure unhindered sea-based trade, and to promote overall economic and security well-being.

The security environment has changed significantly, but so have components of our respective strategies. When a Roles, Missions, and Capabilities (RMC) review was last completed, Japan's defense strategy extended primarily north and south. The 1980s review expanded the geographic scope and raised alliance capabilities in East Asia, and the 1990s review clarified functions for Japan's opening areas of defense cooperation. Today, areas of interest extend further south and a great deal west—as far as the Middle East. We should sufficiently redefine our strategies and coordinate our ways and means of execution. A new review should include a broader geographic scope as well as an all-inclusive combination of our military, political, and economic national powers.

## Defense Strategy: Toward Allied Interoperability

Japan can more fully exercise defense and military diplomacy through capacity building and bilateral and multilateral measures. A new roles and missions review should expand the scope of Japan's responsibilities to include the defense of Japan and defense with the United States in regional contingencies. The most immediate challenge is in Japan's own neighborhood. China's assertive claims to most of the East China Sea and virtually all of the South China Sea and the dramatic increase in the operational tempo of the PLA and other maritime services, including repeated circumnavigation of Japan, reveal Beijing's intention to assert greater strategic influence throughout the "First Island Chain" (Japan-Taiwan-Philippines) or what Beijing considers the "Near Sea." In response to these kinds of anti-access/area denial (A2AD) challenges, the United States has begun work on new operational concepts such as Air Sea Battle and the Joint Operational Access Concept (JOAC). Japan has begun work on parallel concepts such as "dynamic defense." While the U.S. Navy and the Japan Maritime Self-Defense Forces (JMSDF) have historically led in bilateral interoperability, the new environment requires significantly greater jointness and interoperability across services in both countries and bilaterally between the United States and Japan. This challenge should be at the core of the bilateral RMC dialogue and must be fully integrated and driven forward by senior leadership in the U.S. Departments of Defense and State together with the Japanese Ministries of Defense (MOD) and Foreign Affairs (MOFA). In a time of budgetary constraints, RMC cannot be addressed piecemeal or by lower-level officials.

Two additional areas for potential increased alliance defense cooperation are in minesweeping in the Persian Gulf and joint surveillance of the South China Sea. The Persian Gulf is a vital global trade and energy transit hub. At the first rhetorical sign or indication of Iran's intention to close the Strait of Hormuz, Japan should unilaterally send minesweepers to the region to counter this

internationally illegal move. Peace and stability in the South China Sea are yet another vital allied interest with especially profound salience for Japan. With 88 percent of Japan's supplies, including vital energy resources, transiting through the South China Sea, it is in Japan's interest to increase surveillance in collaboration with the United States to ensure stability and continued freedom of navigation.

The distinction between the "Defense of Japan" and regional security is thin. A sealed-off Strait of Hormuz or a military contingency in the South China Sea will have severe implications for the security and stability of Japan. The once-touted sword and shield analogy oversimplifies current security dynamics and glosses over the fact that Japan requires offensive responsibilities to provide for the defense of the nation. Both allies require more robust, shared, and interoperable Intelligence, Surveillance, and Reconnaissance (ISR) capabilities and operations that extend well beyond Japanese territory. For their part, U.S. Forces in Japan (USFJ) should have specific roles assigned in the defense of Japan. With the goal of operational competency and eventual USFJ-JSDF joint task force capability in mind, the United States should allocate greater responsibility and sense of mission to the USFJ.

Amidst looming budget cuts and fiscal austerity in both Washington and Tokyo, smarter use of resources is essential to maintain capabilities. A primary manifestation of smarter resource implementation is interoperability. Interoperability is not a code word for buying U.S. equipment. At its core, it is the fundamental ability to work together. The U.S. Navy and JMSDF have demonstrated this ability for decades. The U.S. Air Force and Japan Air Self-Defense Force (JASDF) are making progress; but U.S. Army/Marine Corps cooperation with the Japan Ground Self-Defense Force (JGSDF) has been limited due to a contrast in focus. The United States has concentrated its efforts on fighting ground wars in the Middle East, while Japan has conducted peacekeeping and disaster relief operations.

One way to enhance interoperability is to improve the quality of bilateral defense exercises. The U.S. Air Force and Navy air force in conjunction with the JSDF should conduct training annually at rotating civilian airports. New training areas could simulate a broader scope of potential contingencies, give both forces more exposure, and provide a sense of burden sharing to the people of Okinawa. Second, JSDF and U.S. forces should test the lessons learned from Operation Tomodachi to improve joint capacities in responding to crises. Third, the JGSDF, while maintaining noteworthy peacekeeping operations (PKO) and disaster relief operations, should consider enhancing amphibious capabilities. Redirecting the JGSDF force posture from land based to an agile and deployable force will better prepare the allies for future structuring of forces. Fourth, the United States and Japan should make full use of new training ranges in Guam and the Commonwealth of the Northern Mariana Islands (CNMI), as well as the new shared facility in Darwin, Australia. Joint maritime expeditionary capabilities are a core focus for Japan, Korea, Australia, Canada, and New Zealand. Training with U.S. forces, particularly the Marines, would enhance broader interoperability. Lastly, Tokyo should enhance the legal abilities of the MOD to protect bilateral and national security secrets and confidential information. The current legal regime does not support the same U.S. standards in confidentiality. The combination of policy and rigorous defense training will accelerate Japan's nascent Special Operations Forces (SOF) capabilities and improve interoperability.

## Technology Cooperation and Joint Research and Development

The second aspect of interoperability is hardware. Given both the United States' and Japan's economic realities and the improbability of growing defense budgets, there is a need for closer defense industry collaboration. Japan's revision of the "Three Principles on Arms Exports" has increased the policy window on arms exports and technology cooperation. While joint collaboration will reduce costs to both governments and strengthen industry-wide relationships (akin to the decades-old partnerships between European and American defense companies), the alliance has yet to determine how to move forward in this area.

The United States should take advantage of the policy change and encourage the Japanese defense industry to export technology. The time is past when Americans should be concerned about Japanese defense exports posing a threat to U.S. security or our industrial base. On a micro-level, the United States should import (and Japan should freely export) electronic, nanotech, composite, and other high-value components. Allied trade in this sector would give U.S. defense companies access to sophisticated secondary or prime source technology that Japan already exclusively manufactures, or manufactures under license. Importing from Japan also has the potential to drive down costs and improve quality of U.S. and Japanese defense products.

On a macro-level, the easing of restrictions facilitates opportunities for joint development of sophisticated future weaponry and other security systems. Missile defense has been an excellent model in this regard. This program demonstrates that the alliance can co-develop, co-produce, and co-employ exceedingly complex defense systems with cooperation, rather than competition, at its core. A near-term allied armament program should consider specific projects of mutual interest and operational requirements. However, the alliance should also identify long-term operational requirements for joint development. Areas for possible arms cooperation could be the next generation fighters, warships, radars, strategic lift, communications, and overall ISR capabilities. Additionally, the United States should encourage arms exports and technology cooperation between Tokyo and other allies. For example, Australia is in discussions with Japan about technology cooperation on diesel submarines and potentially the joint strike fighter. The United States should encourage such dialogue and build on this momentum.

The United States and Japan are the two largest and most capable research and development entities on the globe. As allies we should meld these capabilities and achieve efficiencies in a sector with rapidly increasing costs and complexity. An alliance framework for arms cooperation will require better organization. In the past, cooperation has been relegated to the Sciences and Technology Forum (S&TF), a body that operates separately from the policy-centered Security Consultative Committee. Greater integration of these two bodies will achieve alliance efficiencies and effectiveness in armament. Fundamental to this effort will be reform of the United States' Foreign Military Sales (FMS) process, which no longer reflects present-day budget, military, and technology realities.

## Cyber Security

Cyber security is an emerging strategic area that requires greater clarification of the United States' and Japan's roles and standards. All defense operations, cooperation, and joint engagement are acutely contingent upon the credibility and capability of information assurance measures. In

recent years increases in the cases of cyber attacks and cyber hacking, especially on government agencies and defense industry corporations, have threatened the security of sensitive data and renewed the risk of confidential information falling into the hands of terrorists and insurgents. Without common safeguards and standards in information assurance, U.S.-Japan communication channels are increasingly vulnerable to outside infiltration. While the United States manages a cyber command alongside the National Security Agency (NSA), Japan lacks an equivalent. To alleviate this disparity, the United States and Japan should establish a Joint Cyber Security Center for research and implementation of common information assurance standards. Such an initiative would bolster Japan's vulnerable cyber security infrastructure and would be in line with supporting Japan's national defense. Without cyber engagement and consultations, greater allied engagement on security issues will face constraints.

## Extended Deterrence

Another key area in allied defense that is in need of a confidence boost is extended deterrence. Japan is torn between its desire to see a nonnuclear world and its concern that if the United States decreases its nuclear forces to parity with China, the credibility of U.S. extended deterrence will be weakened and Japan will suffer the consequences. It is a mistake to believe that extended deterrence depends on parity in numbers of nuclear weapons or the location of nuclear weapons in Japanese territorial waters. Extended deterrence depends on a combination of capability and credibility. During the Cold War, the United States was able to defend Berlin because our promise to do so was made credible by the high stakes, the NATO alliance, and the presence of U.S. troops that made decoupling of a Soviet attack from U.S. casualties impossible. The United States and Japan should reinvigorate the current extended deterrence dialogue to foster mutual confidence in U.S. extended deterrence strategies and capabilities. The best guarantee of U.S. extended deterrence over Japan remains the presence of U.S. troops, which are bolstered by Japan's generous host nation support.

## Futenma

The presence of U.S. troops in Japan has been far from an area of allied unity. The alliance has spent far too much high-level attention over the past decade on the details of the disposition of U.S. forces on Okinawa. The result is that a third-order issue, the Marine Corps Air Station at Futenma, has absorbed time and political capital that would have been better invested in planning for an optimal structuring of forces for the coming decades. Whatever the legacy problems arising from past dispositions, we are likely to find them more easily soluble if we focus more firmly on the future.

## Prohibition of Collective Self-Defense

The triple crises of 3-11 and Operation TOMODACHI raised an interesting irony for deployment of U.S. and Japanese forces. Since 3-11 was not a matter of defending against an external threat, the JSDF and U.S. forces acted without heeding the prohibitions of collective self-defense. U.S. warships moved JGSDF troops in Hokkaido to northeast Japan in response to the crises. Both nations' forces acted to make operational the key airfield in Sendai from which military and civilian organizations conducted disaster response and relief. These efforts created the conditions for recovery

in Northeast Asia. In addition to the lax interpretation of Article IX during Operation Tomodachi, Japan and the United States, in cooperation with several other nations, are fighting piracy in the Gulf of Aden. Japan has reinterpreted legal issues to enable participation in vital antipiracy missions in the Indian Ocean. The irony, however, is that under the most severe conditions requiring the protection of Japan's interests, our forces are legally prevented from collectively defending Japan.

A change in Japan's prohibition of collective self-defense would address that irony in full. A shift in policy should not seek a unified command, a more militarily aggressive Japan, or a change in Japan's Peace Constitution. Prohibition of collective self-defense is an impediment to the alliance.<sup>7</sup> 3-11 demonstrated how our two forces can maximize our capabilities when necessary. It would be a responsible authorization to allow our forces to respond in full cooperation throughout the security spectrum of peacetime, tension, crisis, and war.

## Peacekeeping Operations

2012 marks the 20th anniversary of Japan's participation in UN peacekeeping operations. In South Sudan, JSDF are building basic infrastructure to assist the young government in extending state authority. In Djibouti, JSDF are stationed on antipiracy missions patrolling the Gulf of Aden. In Haiti, JSDF participate in ongoing post-disaster reconstruction and containing the spread of infectious diseases. The roles and responsibilities of PKO are arduous and most often complemented with a harsh environment and living conditions. Through Japan's participation in PKO, JSDF have expanded their international engagement and preparation for operations in counterterrorism, nuclear nonproliferation, humanitarian assistance, and disaster relief. To enable fuller participation, we recommend that Japan extend the legal latitude given to her international peacekeeping forces to protect civilians, as well as to protect other international peacekeepers, with force, if necessary. PKO remains a tangible and laudable international contribution. Perceptions of JSDF are changing, and they are viewed as one of the most viable instruments of Japan's foreign policy.

## Conclusion

Current discourse on Japan is plagued with diction on "crises," "challenges," and "indecision." While these words may suggest a nation in decline, we do not believe that is a foregone conclusion. It is our view that Japan is at a critical juncture. Japan has the power to decide between complacency and leadership at a time of strategic importance. With the dynamic changes taking place throughout the Asia-Pacific region, Japan will likely never have the same opportunity to help guide the fate of the region. In choosing leadership, Japan can secure her status as a tier-one nation and her necessary role as an equal partner in the alliance.

In this period of drift, Operation Tomodachi bought the U.S.-Japan alliance some time. It gave the alliance the meaning and value it urgently needed following the idiosyncratic political discord of the last three years. But, that will not be sufficient to carry the alliance through the challenges it faces. The rapidly evolving strategic landscape and tremendous budgetary challenges require smarter and more adaptive engagement on the part of the United States and Japan. The recom-

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7. The Yanai Committee report of 2006 notes that the prime minister could by fiat put aside the Article IX prohibition, as in antipiracy efforts in Djibouti.

mendations contained in this report are an attempt to highlight areas in which the United States and Japan can move forward in that regard. Equally important will be follow-through on the part of both nations. So, as a final recommendation, we urge both the United States and Japan to evidence their commitment to the U.S.-Japan alliance by appointing a policy director dedicated solely to the betterment of it. The alliance is deserving and in need of this attention.

## Recommendations

### Recommendations for Japan

- Cautious resumption of nuclear power generation is the right and responsible step for Japan. Restarting nuclear reactors is the only way to meet Tokyo's ambitious carbon dioxide emissions cuts of 25 percent by 2020. A restart is also sensible to help ensure that high energy costs coupled with a high-valued yen do not drive vital energy-dependent industries out of Japan. Taking on board lessons from Fukushima, Tokyo should resume a leadership role in promoting safe reactor designs and sound regulatory practices.
- Tokyo should continue active engagement in multinational efforts to combat piracy, protect Persian Gulf shipping, secure sea-lanes, and confront threats to regional peace, such as those posed by Iran's nuclear program.
- In addition to entering TPP negotiations, Japan should examine more ambitious and comprehensive negotiations, such as the proposal for a CEESA, described in this report.
- For the alliance to realize its full potential, Japan should confront the historical issues that continue to complicate relations with ROK. Tokyo should examine bilateral ties in a long-term strategic outlook and avoid issuing gratuitous political statements. To enhance trilateral defense cooperation, Tokyo and Seoul should work to conclude the pending GSOMIA and ACSA defense pacts and continue trilateral military engagements.
- Tokyo should continue engagement in regional forums and with democratic partners, particularly India, Australia, the Philippines, and Taiwan.
- In a new roles and missions review, Japan should expand the scope of her responsibilities to include the defense of Japan and defense with the United States in regional contingencies. The allies require more robust, shared, and interoperable ISR capabilities and operations that extend well beyond Japanese territory. It would be a responsible authorization on the part of Japan to allow U.S. forces and JSDF to respond in full cooperation throughout the security spectrum of peacetime, tension, crisis, and war.
- At the first rhetorical sign or indication of Iran's intention to close the Strait of Hormuz, Japan should unilaterally send minesweepers to the region. Japan should also increase surveillance of the South China Sea in collaboration with the United States to ensure freedom of navigation.
- Tokyo should enhance the legal abilities of the MOD to protect bilateral and national security secrets and confidential information.
- To enable fuller participation in PKO, Japan should extend the latitude of peacekeepers to include protecting civilians and other international peacekeepers, with force, if necessary.



## Recommendations for the U.S.-Japan Alliance

- Taking on board lessons from Fukushima, Tokyo and Washington should revitalize nuclear energy research and development cooperation and promote safe nuclear reactor designs and sound regulatory practices globally.
- As part of the security relationship, the United States and Japan should be natural resource allies. Japan and the United States should enhance cooperation in the research and development of methane hydrates and commit to development on alternative energy technologies.
- Washington, Tokyo, and Seoul should expand track 2 dialogue on historical issues, seek consensus on how to approach these sensitive matters, and take suggestions and recommendations derived from dialogue to political and government leaders for action. This effort should seek agreement on “best practice” norms and principles about interaction on these difficult issues.
- The alliance must develop capabilities and policies to respond to China’s re-rise. The alliance has much to gain from a peaceful and prosperous China, but continued high economic growth and political stability are not assured. Allied policies and capabilities should be adaptable to China’s possibly expanding core interests, changing trajectory, and a broad range of possible futures.
- Developing a concrete action agenda on human rights is an admirable goal, especially in Burma (Myanmar), Cambodia, and Vietnam, where allied commitments can advance international humanitarian law and civil society. With regard to North Korea, the alliance with ROK should address the whole range of humanitarian issues, including food security, disaster relief, and public health, in addition to denuclearization and abductees.
- The United States and Japan should align concepts such as Air Sea Battle and Dynamic Defense through the Roles, Missions, and Capabilities dialogue, which has received insufficient senior-level attention to date. A new roles and missions review should include a broader geographic scope as well as an all-inclusive combination of allied military, political, and economic national powers.
- U.S. Army/Marine Corps cooperation with JGSDF should make progress toward interoperability and move toward an amphibious, agile, and deployable force posture.
- The United States and Japan should improve the quality of their bilateral defense exercises by utilizing rotating civilian airports, testing lessons learned from Operation Tomodachi, and enhancing amphibious capabilities. The United States and Japan should make full use of training opportunities in Guam, CNMI, and Australia, both bilaterally and with other partners.
- The United States and Japan should increase opportunities for joint development of future weaponry. A near-term armament program should consider specific projects of mutual interest and operational requirements. The alliance should also identify long-term operational requirements for joint development.
- The United States and Japan should reinvigorate the extended deterrence dialogue (perhaps in conjunction with ROK) to ensure equal confidence in the credibility and capability of U.S. extended deterrence over its key allies.
- The United States and Japan should establish a Joint Cyber Security Center for research and implementation of common information assurance standards.

## Recommendations for the United States

- The United States should not resort to resource nationalism nor inhibit private-sector plans to export LNG. At a time of crisis, the United States should provide its ally with a constant and stable flow of LNG. Congress should amend the law to remove the FTA requirement for an automatic energy permit, putting Japan on an equal footing with other potential natural gas customers.
- With its leadership role in TPP negotiations, the United States should shed more light on the negotiation process and drafting of agreements. Japan's participation in TPP should be viewed as a strategic objective of the United States.
- The United States should not render judgment on the sensitive historical issues between Japan and ROK. The United States should, however, exert full diplomatic efforts to diffuse tensions and refocus attention to the two nations' core national security interests.
- USFJ should have specific responsibilities assigned for the defense of Japan. The United States needs to allocate greater responsibility and sense of mission to USFJ.
- The United States should take advantage of the relaxation of the "Three Principles on Arms Exports" and encourage the Japanese defense industry to export technology not only to the United States, but to other allies such as Australia. The United States must review its own archaic and obstructive FMS process.
- The United States should better integrate and invigorate the Sciences and Technology Forum with the policy-centered Security Consultative Committee structure to further promote joint research and development and technology cooperation and should work to improve and streamline the defense sales bureaucracy to ensure timely and strategically consistent decisions.
- The United States should select a presidential appointee and charge that individual with responsibilities for the enhancement of the U.S.-Japan alliance. Japan may want to consider a similar designation.



## ABOUT THE AUTHORS

**Richard L. Armitage** is president of Armitage International and a trustee of CSIS. From 2001 to 2005, he served as U.S. deputy secretary of state. In the course of his career, he has been engaged in a range of worldwide business and public policy endeavors, as well as frequent public speaking and writing. From 1992 to 1993, Mr. Armitage (with the personal rank of ambassador) directed U.S. assistance to the newly independent states of the former Soviet Union. From 1989 to 1992, he filled key diplomatic positions as presidential special negotiator for the Philippines Military Bases Agreement and special mediator for water in the Middle East. President George H.W. Bush sent him as a special emissary to Jordan's King Hussein during the 1991 Gulf War. In the Pentagon from 1983 to 1989, he served as assistant secretary of defense for international security affairs. Mr. Armitage graduated in 1967 from the U.S. Naval Academy, where he was commissioned an ensign in the U.S. Navy. He served on a destroyer stationed on the Vietnam gun line and subsequently completed three combat tours in Vietnam. He has received numerous U.S. military decorations, as well as decorations from the governments of Thailand, the Republic of Korea, Bahrain, and Pakistan. In 2010, Mr. Armitage was appointed an honorary companion of the Order of Australia, and in 2005, he became a Knight Commander of the Order of St. Michael and St. George. Mr. Armitage currently serves on the boards of ConocoPhillips, ManTech International Corporation, and Transcu Group Ltd. He is also a member of the American Academy of Diplomacy. He was most recently awarded the Department of State Distinguished Service Award and has received the Department of Defense Medal for Distinguished Public Service four times, the Secretary of Defense Medal for Outstanding Public Service, the Chairman of the Joint Chiefs Award for Outstanding Public Service, the Presidential Citizens Medal, and the Department of State Distinguished Honor Award.

**Joseph S. Nye** is dean emeritus of the Kennedy School of Government at Harvard University and a trustee of CSIS. He joined the Harvard faculty in 1964 and has served as director of the Center for International Affairs, Dillon Professor of International Affairs, and associate dean of arts and sciences. From 1977 to 1979, Dr. Nye served as deputy to the U.S. under secretary of state for security assistance, science, and technology and chaired the National Security Council Group on Nonproliferation of Nuclear Weapons. In 1993 and 1994, he was chairman of the National Intelligence Council, which coordinates intelligence estimates for the president. In 1994 and 1995, he served as assistant secretary of defense for international security affairs. In all three agencies, he received distinguished service awards. Dr. Nye is a fellow of the American Academy of Arts and Sciences and the American Academy of Diplomacy and a member of the Executive Committee of the Trilateral Commission. Dr. Nye has also served as a director of the Aspen Strategy Group, as a director of the Institute for East-West Security Studies, as a director of the International Institute for Strategic Studies, as U.S. representative on the UN Advisory Committee on Disarmament Affairs, and as a member of the Advisory Committee of the Institute of International Economics.

He received his bachelor's degree summa cum laude from Princeton University in 1958. He did postgraduate work at Oxford University on a Rhodes scholarship and earned a Ph.D. in political science from Harvard University. Dr. Nye has also taught for brief periods in Geneva, Ottawa, and London and has lived for extended periods in Europe, East Africa, and Central America. He is the author of numerous books, including *The Future of Power* (PublicAffairs, 2011), *The Powers to Lead* (Oxford University Press, 2008), and *Soft Power: The Means to Success in World Politics* (PublicAffairs, 2004).







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INTERNATIONAL STUDIES

1800 K Street, NW | Washington, DC 20006  
Tel: (202) 887-0200 | Fax: (202) 775-3199  
E-mail: [books@csis.org](mailto:books@csis.org) | Web: [www.csis.org](http://www.csis.org)

