

2016 Annual Report



Institute for China-America Studies

FROM THE EXECUTIVE DIRECTOR



Dear Friends,

On behalf of the ICAS board of directors and advisors, I am pleased to present this snapshot of the work we undertook in 2016.

The year 2016 witnessed a variety of issues closely linked to the China-US relationship: the recent tribunal ruling on the South China Sea disputes, the US presidential election, THAAD Deployment to South Korea, and debates about the TPP and the AIIB, among many others. Each of these major events has posed critical challenges to leaders of both countries, reminding us once again of the importance of communication and trust.

In the coming year, we will observe both opportunities and uncertainties in the US-China relations. As a Chinese think tank based in the heart of downtown Washington, DC, ICAS will continue building bridges to facilitate the exchange of ideas and people between China and the United States. We look forward to playing an active role in addressing key issue areas in the US-China relationship in need of greater mutual understanding.

We at ICAS are proud to present our achievements from the past year, and look forward to another year of this important work.

Dr. Nong Hong

Executive Director and Senior Fellow
Institute for China-America Studies

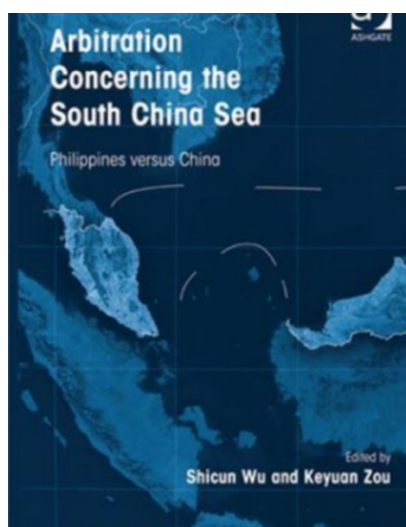
SCHOLARSHIP HIGHLIGHTS

BOOK CHAPTER

Law Enforcement in a Disputed Maritime Zone: A Political and Legal Analysis

Nong Hong

*Arbitration Concerning the South China Sea:
Philippines versus China* (Routledge, 2016)

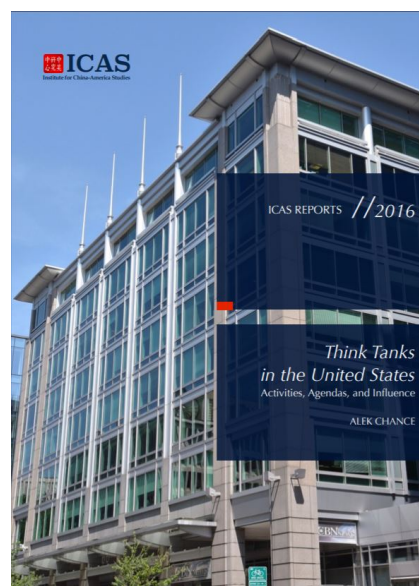


ICAS REPORTS

Think Tank in the United States

Alek Chance

May 2016



JOURNAL ARTICLES

Roundtable: The Arbitral Tribunal's Ruling on the South China Sea - Implications and Regional Responses

Nong Hong

Contemporary Southeast Asia, 18.3. 2016

The South China Sea Dilemma: A Political Game of International Law

Nong Hong

Journal of Political Risk, 4.6. 2016

American Perspectives on the Belt and Road Initiative

Alek Chance

October 2016



American Perspectives on the Belt and Road Initiative
Sources of Concern, Possibilities for US-China Cooperation

Alek Chance
with an introduction by Alidad Mafinezam

SELECTED COMMENTARY AND ANALYSIS

Hong Nong The U.S.-China Battle in the Post-Arbitration South China Sea: Diverging and Converging Interests, *Maritime Awareness Project*

Managing Sino-U.S. Disagreements in the South China Sea, *Asia Maritime Transparency Initiative*

Trumpism: Shifting the Spotlight Away Might Help, *IPP Review*

Sourabh Gupta No Restraint: Judicial Activism in the South China Sea Arbitration Ruling, *China-US Focus*

China Must Pursue Global Monetary Reform as BRICS Chair, *China-US Focus*

Sino-Indian Maritime Affairs in the Asian Century, *ICAS Commentary*

Beijing has case for 'historic rights' at sea, *China-US Focus*

Alek Chance Donald Trump's Foreign Policy and China: What do We Know? *China Policy Institute*

American Liberalism and Exceptionalism: Obstacles and Opportunities for US-China Relations, *China-US Focus*

2016 ACHIEVEMENTS



20+ WORKS OF COMMENTARY AND ANALYSIS



HOSTED OR CO-HOSTED **4** CONFERENCES AND DIALOGUES



ICAS SCHOLARS PARTICIPATED IN **20+** CONFERENCES IN NORTH AMERICA AND ASIA



PRODUCED **3** AMERICAN VOICES INITIATIVE INTERVIEWS



PUBLISHED **23** ISSUES OF BULLETIN AND **4** ISSUE PRIMERS



ICAS SCHOLARS PROVIDED INSIGHTS TO SEVERAL NEWS OUTLETS GLOBALLY, INCLUDING

BBC, Australian Broadcasting Corporation, CCTV America, Phoenix TV, Sinovision Deutsche Welle, China Radio International, South China Morning Post, Australian Financial Review, Global Times, The Strait Times

EVENTS HIGHLIGHTS

June 27 - 28
New York, NY
Legal order in the World's Oceans: UN
Convention on the Law of the Sea

ICAS co-sponsored the Fortieth Annual Conference of the University of Virginia's Center for Oceans Law & Policy in Cooperation with the Division for Ocean Affairs and the Law of the Sea Office of Legal Affairs of the United Nations at the United Nations Headquarters in New York.



November 2 - 4
Nanjing, China
Fourth Asia Maritime Security Forum

ICAS co-hosted the Fourth Asia Maritime Security Forum in Nanjing November 2-4, China, along with Nanjing University, the China Institute at the University of Alberta, and the National Institute for South China Sea Studies. The conference included participants from North America, China, and ASEAN states.



June 29, 30
New York, NY
US-China Track II Dialogue on Maritime
Affairs and International Law

ICAS cosponsored the US-China Track II Dialogue on Maritime Affairs and International Law along with the National Committee on US-China Relations.

November 30
Washington, DC
Roundtable Discussion on the US Foreign
Policy under President Trump

ICAS executive board members Wu Shicun and Zhu Feng and ICAS scholars welcomed Asia experts from from AEI, NBR, Stimson Center, American Foreign Policy Council, and the East-West Center for a discussion about the potential policy implications of the election of Donald Trump.

PROGRAM HIGHLIGHTS

American Voices Initiative

The ICAS American Voices Initiative is a series of on-camera interviews with leading scholars at American institutions. The series seeks to elicit a range of opinions from experts covering economic, security, and global governance issues in the US-China relationship. 2016 participants were Joseph Nye, Matthew Goodman, and Michael Swaine.



Michael Swaine
Senior Associate,
Carnegie Endowment for International Peace



Right: Alek Chance interviewing Joseph Nye, May 2016
Upper left: Matthew Goodman, September 2016
Bottom left: Michael Swaine, June 2016

ICAS Issue Primers highlight and explain key bilateral issues in a brief format.

ICAS Issue Primer Topics in US-China Relations Freedom of Navigation Operations in the South China Sea

On October 21, 2016, the United States completed its fourth Freedom of Navigation Operation (FONOP) in the South China Sea since 2013. By sending the US *Destroyer* within the baselines of the Pratael islands, the US sought to "protect the rights, freedoms and lawful uses" of the sea and airspace. China views such FONOPs as violations of its sovereignty and security interests, calling US actions "illegal."

Freedom of Navigation Under UNCLOS
Freedom of navigation (FON) is a principle enshrined in the *United Nations Convention on the Law of the Sea* (UNCLOS, or "the Convention") and customary international law. It dictates that ships flying the flag of any sovereign state shall not suffer interference from other states on the high seas and shall enjoy lesser freedoms in exclusive economic zones (EEZs) and territorial seas. The nature of these limits in EEZs and territorial seas, especially regarding military vessels, is a point of contention between different countries. While all states accept the right of foreign military vessels to enter another state's exclusive economic zone (EEZ), which extends 200 nautical miles from a state's territorial sea, there is some disagreement between states regarding the legality of military exercises or surveillance in foreign EEZs. This issue is one source of disagreement between the US and China, but is not directly related to the recent FONOPs. In cases where a vessel passes within the territorial sea of another state (a zone extending 12 nautical miles from the coast), UNCLOS in most cases requires that such passages be conducted as "innocent passages." Innocent passage is defined under UNCLOS as "continuous and expeditious" navigation that is "not prejudicial to the peace, good order, or security of the coastal State." This means that vessels navigating through these waters may not engage in any activity beyond passing through, such as fishing, surveillance, or military exercises. The US Navy complies with these requirements by, among other things, turning off fire-control radars and refraining from operating helicopters while inside another state's territorial sea. Whether or not military vessels have a right to engage in innocent passage without obtaining prior permission is Institute for China-America Studies

Last Update: November 1, 2016
at the heart of the FONOP issue. UNCLOS itself is silent on the permissibility of prior notification or prior authorization requirements. More generally, the US believes UNCLOS makes no distinction between military and civilian vessels regarding the right of innocent passage, whereas Chinese law and policy treat military vessels differently.

The American FONOP Program
While the US has not ratified UNCLOS, US policy treats most of the Convention as customary international law and the US Navy operates according to its interpretation of UNCLOS' FON rights and obligations. The US envisions its navy to be an important guarantor of FON norms, which in turn are often presented as critical parts of a "rules based international order."



The Pentagon's Freedom of Navigation program aims to preserve FON by conducting FONOPs around the world that challenge "excessive claims" by states. It does this by operating in areas subject to what it considers to be illegal restrictions. In overt "non-acquiescence" with these restrictions, China was among 13 states challenged in 2015. These efforts are typically not publicized at the time. "Innocent claims" does not refer to sovereignty claims, but to restrictions on freedom of navigation or improperly defined maritime zones. For example, the US objects to the Maldives' requirement that nuclear powered ships obtain permission prior to entering its territorial sea, and has challenged it in the past. US officials persistently announce that the US will "fly, sail, and operate anywhere international law allows."

The US has conducted four FONOPs in the South China Sea in since October 2013, sailing unannounced and without prior permission within 12NM of Subi and Fiery Cross Reefs—both claimed features in the Spratly

The ICAS Bulletin is a bimonthly survey of American scholarship on U.S.-China relations.

December 21, 2016

ICAS BULLETIN Institute for China-America Studies

A Survey of Scholarship on US-China Relations
Twice a month, the ICAS Bulletin updates a global audience on American perspectives regarding the world's most important bilateral relationship. Research papers, journal articles, and other prominent work published in the US are listed here alongside information about events at US-based institutions.

Commentary: Nong Hong on "Trumpism," p. 4

Publications

US-China Economic and Security Review Commission 2016 Report to Congress

United States Congress, November 2016

This annual report addresses several questions asked by Congress regarding the connections between economic and security matters in the bilateral relationship. The report makes recommendations regarding investments in the US by Chinese SOEs, intellectual property theft and espionage activities, military-military cooperation and several other bilateral issues.

The PLA and China's Rejuvenation: National Security and Military Strategies, Deterrence Concepts, and Combat Capabilities

Timothy Heath, Kristen Gunnars, Corree Cooper
RAND, December 2016

The authors attempt to provide the strategic context for the PLA's recent modernization. The study describes Chinese national security strategies, its approach to war and escalation control, and deterrence capabilities. It also considers the perceptions of China's leaders on security issues and their approaches to crisis management. This report concludes that China's capabilities and perceptions change as China grows, and therefore continuous monitoring of these factors are crucial to understanding Chinese military strength.

China, Economic Development, And Global Security

Matt Ferchen
Carnegie-Tsinghua Center for Global Policy, December 2016

Ferchen criticizes the two paradigms that characterize China's rise – the peaceful development paradigm that paints China as a stable security guarantor, and the geo-economic paradigm that considers China's mercantilism as a challenge to the liberal international world order. Ferchen argues

ADVISORY BOARD



Dr. Shicun Wu
President, National Institute for South
China Sea Studies



Professor Gordon Houlden
Director, China Institute
University of Alberta



Dr. Feng Zhu
Director, Center for Collaborative
Studies of the South
China Sea, Nanjing University



Dr. Yongnian Zheng
Professor and Director
East Asian Institute
National University of Singapore



Dr. Myron H Nordquist
Associate Director and Editor,
Center for Oceans Law and Policy
University of Virginia, School of Law

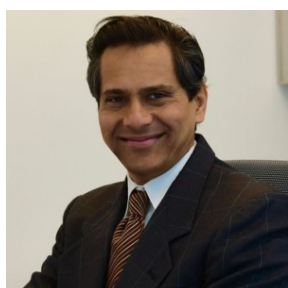
STAFF



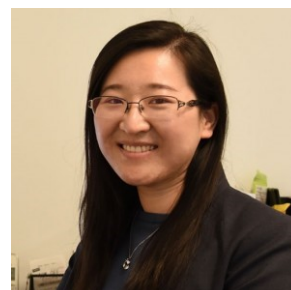
Dr. Nong Hong
Executive Director and Senior Fellow



Dr. Alek Chance
Research Fellow, Program Officer



Sourabh Gupta
Resident Senior Fellow



Xin Hu
Program Associate



Dr. Keyuan Zou
Non-Resident Senior Fellow



Fei Luo
Program Associate



Dr. Christopher John Jenner
Non-Resident Senior Fellow

ABOUT ICAS

The Institute for China-America Studies is an independent, non-profit think tank funded by the Hainan Nanhai Research Foundation in China. Based in the heart of downtown Washington, DC, ICAS is uniquely situated to serve as a bridge to facilitate the exchange of ideas and people between China and the United States. It achieves this through research and partnerships with institutions in both countries that bring together Chinese and American academic scholars as well as policy practitioners, in order to provide a window into their respective worldviews.

ICAS focuses on key issue areas in the US-China relationship in need of greater mutual understanding. It identifies promising areas for strengthening bilateral cooperation in the spheres of Asia-Pacific economics, trade, international relations as well as global governance issues, and explores the possible futures for this critical bilateral relationship.



Institute for China-America Studies

1919 M Street NW Suite 310

Washington, DC 20036

www.chinaus-icas.org