



In Search of Organizing Principle

A Conference Report of the
US-China Dialogue on
Strategic Nuclear Dynamics

By Ralph A. Cossa

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Issues & Insights
Vol. 17-No. 11

Washington, DC
July 2017

Pacific Forum CSIS

Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

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Acknowledgements

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Key Findings
US-China Dialogue on Strategic Nuclear Dynamics
Washington, DC – March 22-23, 2017

The Pacific Forum CSIS, with support from NPS/PASCC and the Defense Threat Reduction Agency, held a US-China Dialogue on Strategic Nuclear Dynamics in Washington, DC on March 22-23, 2017. More than 40 Chinese and US experts, officials, military officers, and observers met in their private capacities to discuss US-China strategic relations with an emphasis on its nuclear dimension. The off-the-record discussions covered comparative assessments of US-China strategic relations, organizing principles, the concept of integrated strategic deterrence, potential areas for US-China nuclear cooperation, and approaches for preventing and managing crises with North Korea. Key findings included:

While US and Chinese participants expressed some optimism about the state of US-China relations, noting areas of progress and possible areas for future cooperation, they expressed significant uncertainty about the trajectory of the relationship and concern about increased competitive pressures under the Trump administration (regarding nuclear modernization, missile defense, and generally, a hawkish tone on China). Chinese interlocutors wanted to know whether major changes in US China policy or US nuclear policy were forthcoming. All agreed that the Mar-a-Lago Summit would be important for setting the tone for the US-China relationship under the new US administration.

Both sides saw “strategic stability” as an important organizing principle for their nuclear relationship, even though the United States and China have not developed an official understanding of either the concept or the actions that each side should take to promote strategic stability. Nevertheless, Chinese interlocutors emphasized that within the narrow confines of strategic specialists, the term was understood in similar ways to its U.S. usage. Chinese interlocutors further described the phrase as an important indication of US desire for a constructive rather than confrontational relationship. If the upcoming US Nuclear Posture Review (NPR) does not include the concept, it will raise questions about Washington’s future intentions.

US participants bemoaned China’s refusal to accept earlier offers to have an official dialogue on the narrow, nuclear elements of strategic stability and hoped that Beijing would be more willing to engage on the topic during the Trump administration. US and Chinese experts saw value in a bilateral experts exchange in advance of the NPR to discuss the global and regional nuclear landscape, projections of US and Chinese nuclear capabilities, and views on shared security challenges. Chinese participants raised concerns about the NPR and BMDR being a military (rather than interagency) effort, about shifting language in Congressional MDAA guidance on BMD policy, and US participants reminded Chinese interlocutors that the NPR is not all, or even primarily, about China.

Chinese participants welcomed comments by Secretary of State Tillerson in Beijing that seemed to endorse China’s concept of a “new type of major country relations.” US participants cautioned that China should not read too much into Tillerson’s use of Chinese phraseology. US participants suggested that the most productive way for China to react to Tillerson’s remarks would be to offer true “win-win” proposals. Non-controversial areas of

cooperation might include a joint US-China statement on principles, Chinese participation in the Proliferation Security Initiative, and US-China cooperation to prevent a nuclear crisis between India and Pakistan.

Taiwan – an issue that has been largely absent from this dialogue for several years – is once again a potential flashpoint in the US-China relationship. With the return of the DPP to power, there is growing consternation in Beijing about Taipei's policy toward the mainland. Beijing's concerns are magnified by worry about the Trump administration's policy toward Taiwan. While the United States and China avoided a confrontation when Trump accepted the one China policy, there remains a real risk of an escalating Taiwan crisis. Chinese participants were concerned that the Trump administration might dramatically increase the quality and quantity of arms sales to Taiwan. Several participants worried that Xi might attempt to make Taiwan a legacy issue (one Chinese participant provocatively suggested exactly that) and establish benchmarks or a timeline for reunification.

All participants understood that North Korea will be an important early bellwether of US-China cooperation. If China is seen as assisting the United States in slowing or rolling back the development of North Korea's nuclear and missile programs, then greater US-China cooperation will likely follow. If Chinese support of US North Korea policy is not forthcoming, then it may make other areas of the US-China relationship more difficult, in part because the United States will likely take actions such as deploying additional missile defense and strike capabilities in Northeast Asia to address the North Korean threat that will also upset Beijing.

Even though US participants noted the real and growing North Korean nuclear weapons and missile threat, Chinese participants repeatedly and aggressively denounced the US deployment of THAAD to South Korea and dismissed US assurances that it did not threaten China's nuclear deterrent. US participants argued that unfounded Chinese objections have stiffened South Korean resolve to accept THAAD and make future US-China cooperation aimed at enhancing strategic stability more difficult.

Chinese participants insisted that China, not North Korea, is the real target of the US THAAD deployment and sought greater reassurance from the United States. Various Chinese participants had different suggestions: that the United States build a physical barrier next to the AN/TPY-2 radar to prevent it from looking toward China; operate the THAAD system in South Korea with a different, less capable radar; or set clear, public limits on future deployments of missile defense in northeast Asia. They warned that a failure to reassure China would cause Beijing to improve and expand China's nuclear forces and would limit cooperation in other areas. Americans saw Chinese complaints as more political than technical (a point acknowledged by a few Chinese participants), while reminding Chinese counterparts of US offers to provide technical briefings on THAAD.

US and Chinese participants agreed that North Korea is making rapid progress toward deployment of a more advanced nuclear weapons force and that prospects for denuclearization appear slim. Chinese participants expressed exasperation with Kim Jong Un, but reiterated that China has a strong interest in keeping North Korea as a buffer and that negotiations are the only way to deescalate the situation. They advised that the best path forward would be for the United States and South Korea to not advocate preemptive strikes,

to continue to refuse to deploy nuclear weapons in Japan and South Korea, and to find an alternative to THAAD.

US participants were skeptical that negotiations with North Korea would yield a mutually acceptable outcome and stressed Washington's growing frustration with Beijing's failure to more effectively pressure Pyongyang, arguing that the current trajectory of the DPRK nuclear and missile program, is unacceptable. There was bilateral agreement on the need to discuss crisis management in the event of a nuclear accident in North Korea or another North Korean nuclear test. US participants suggested that it would also be beneficial to discuss high-end contingencies, such as a collapse of the Kim regime or an escalating war between North and South Korea, since Beijing and Washington would likely have very different objectives in many crisis scenarios, making cooperation and coordination ahead of time all the more important.

There remains little agreement about the impact of advanced space, cyber, and conventional weapons capabilities on strategic stability and nuclear deterrence. Both the United States and China are thinking about how deterrence functions across multiple domains, developing concepts such as integrated strategic deterrence, cross-domain deterrence, comprehensive deterrence, or multi-domain deterrence. In a crisis or conflict where military operations are occurring across multiple domains, signaling will be especially difficult, increasing the chances of misperception and inadvertent escalation. One Chinese interlocutor suggested a hierarchy across these issue areas, with nuclear at the top; another emphasized they were separate domains with limited interaction. Group discussions continue on establishing rules of the road to avoid unintended confrontations.

While many areas of misunderstanding and disagreement remain, US and Chinese participants nonetheless highlighted the benefits of the Track 1.5/2 forum. Frank and open discussions allow US and Chinese experts to hear the suspicions and concerns of the other side, discuss issues that are too sensitive for official dialogue, and identify, debate, and refine proposals that can feed into official US-China dialogue. But US participants again reiterated that Track 1.5/2 needs to be a supplement to, not replacement for, official dialogue.

Conference Report
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Washington, DC – March 22-23, 2017

The Pacific Forum CSIS, with support from NPS/PASCC and the Defense Threat Reduction Agency (DTRA), held a US-China Dialogue on Strategic Nuclear Dynamics in Washington, DC on March 22-23, 2017. More than 40 Chinese and US experts, officials, military officers, and observers met in their private capacities to discuss US-China strategic relations with an emphasis on its nuclear dimension. The off-the-record discussions covered comparative assessments of US-China strategic relations, organizing principles for the US-China strategic relationship, the concept of integrated strategic deterrence, potential areas for US-China nuclear cooperation, and approaches for preventing and managing crises with North Korea. The report that follows is not a consensus document: while it has been circulated among US participants to ensure accuracy and comprehensiveness, it reflects only the views of the chair.

US-China Strategic Relations: the State of Play

In the opening session, discussions covered the state of the US-China relationship, with an emphasis on developments that might impact the US-China strategic relationship. While this meeting is the latest in a decade-long series of discussions, it was held in March in Washington DC – rather than in Beijing in the winter as is customary – because of a perceived need to get a better sense of bilateral relations as a new US administration assumes office, as well as sensitive political times in China. While US and Chinese participants conveyed optimism about the overall state of US-China relations, they expressed significant uncertainty about the trajectory of the relationship.

A frequent topic of conversation was the direction of US policy under the Donald Trump administration. Chinese participants welcomed recent comments by Secretary of State Rex Tillerson that seemed to endorse China's concept of a "new type of major power relations." US participants cautioned that China should not read too much into Tillerson's use of Chinese phraseology. As long as China defines mutual respect for "core interests" to mean US accommodation of a Chinese sphere of influence in the western Pacific, the United States and China will be unable to reach a common understanding. A more realistic aspiration for US-China relations, according to a US participant, is a "constructive and results-based relationship," the phraseology used by the State Department in the run-up to the Tillerson meeting.

Chinese participants argued that the US-China relations have greatly improved in the past few years. There have been more people-to-people exchanges, greater economic interdependence, and increased cooperation on issues of common concern such as Iran and North Korea. However, there remain a number of issues, such as the deployment of a Terminal High Altitude Area Defense (THAAD) battery in South Korea, North Korea, US arms sales to Taiwan, territorial disputes in the South China Sea, and US accusations of Chinese currency manipulation, that could disrupt the relationship. Chinese participants argued that the United States deployment of THAAD in South Korea would undermine other areas of potential US-China cooperation.

Taiwan has been on the backburner of the US-China relationship in recent years, but, with the return of the Democratic Progressive Party (DPP) to power, there is growing consternation in Beijing about Taipei's policy toward the mainland. Beijing's concerns are magnified by worry about the policy of the Trump administration toward Taiwan. The United States and China avoided a confrontation when Trump accepted "the one China policy," but there remains a risk of an escalating Taiwan crisis. Chinese participants were concerned that the Trump administration might dramatically increase the quality and quantity of arms sales to Taiwan. US participants worried that Xi Jinping might attempt to make Taiwan a legacy issue and establish benchmarks or a timeline for reunification.

US and Chinese participants agreed that the foundation of US-China economic ties is eroding. Both sides once believed that greater US-China economic integration would provide substantial benefit to both countries, which would allow Washington and Beijing to resolve or move past other disputes. Many in Washington and in the US business community are now more skeptical about the benefits of trade with China; if this trend continues, it could expose other frictions in the US-China relationship.

US participants noted that North Korea will be an important early bellwether of US-China cooperation. If China is seen as assisting the United States in slowing or rolling back the development of North Korea's nuclear and missile programs by, for example, helping the US cut off Pyongyang's access to the international financial system, then greater US-China cooperation will likely follow. If, however, China does not appear to be helping to rein in Pyongyang, then the US-China relationship is likely to deteriorate, in part because the United States will likely take actions such as deploying additional missile defense and strike capabilities in Northeast Asia that will anger China.

Both sides agreed that the Mar-a-Lago Summit – which would take place two weeks after our meeting--between Trump and Xi would be important for setting the tone for the next few years of the US-China relationship. Both Trump and Xi would likely use the meeting as an opportunity to build a personal relationship and read the other side's true intentions.

US participants identified three camps in the US debate about policy toward China. One camp argues that the United States should engage and contain China. They believe that China's rise will undermine the international system, and the United States, therefore, needs to take more active efforts to contain China. A second camp argues that the US should cooperate with China where possible, while trying to shape China's choices in areas where the two countries disagree. This camp thinks that it's possible to shape China's decision-making and nudge China's rise in a direction that is not detrimental to US interests. A third camp argues for greater US strategic accommodation of China. They argue that because the US is in relative decline and will be unable to keep up with China's growing military capabilities that it needs to cut a deal.

US participants argued that structural factors are pushing many in the US toward the first camp. This shift began in the second half of the Barack Obama administration and will likely continue in the Trump administration. Because of China's improving military capabilities and continued assertiveness in its maritime periphery, there is a growing feeling in Washington that the United States needs to more directly compete with China diplomatically, economically, and

militarily. The US is unlikely to adopt a policy of containment and will continue to seek to reduce rivalry in peacetime, but will be more assertive to demonstrate resolve to defend its interests in the Asia-Pacific.

One Chinese participant argued that China should be more precise in how it defines its “core interests.” He argued, for example, that the South China Sea as a whole is not a core Chinese interest. Instead, China’s core interest in the South China Sea, like the East China Sea, is sovereignty. Therefore, he proposed that only China’s territorial waters in the South China Sea are in fact core interest, while China’s exclusive economic zone is a vital interest, and additional waters in the South China Sea are merely an important interest.

Organizing Principles for the Strategic Relationship

In the second session, the discussion moved to the US-China strategic nuclear relationship. Chinese participants reiterated their position that “strategic stability” can be interpreted broadly, to include overall political-military relations between the two countries, or narrowly, to encompass only nuclear dimensions. US and Chinese participants appeared to agree that, generally, the narrow form of nuclear strategic stability exists when both sides have survivable nuclear second strike forces capable of inflicting significant damage. But they noted that the United States and China have not developed an official understanding of either the concept of strategic stability or the actions that each side should take to promote strategic stability. In particular, Washington and Beijing disagree about whether the development and deployment of US missile defense and conventional strike capabilities are a threat to China’s nuclear posture.

US participants bemoaned China’s refusal to accept the Obama administration’s offers to have an official dialogue on the narrow, nuclear elements of strategic stability and hoped that Beijing would be more willing to engage on the topic during the Trump administration. For an official dialogue to be successful, China would require a clear statement of US intent to abandon absolute security, a commitment by Washington to the basic principles of mutual respect and trust, and the creation of a mechanism for strategic coordination and a mechanism for strategic crisis prevention. The United States would require China to accept US alliances, extended deterrence commitments, and limited regional missile defense deployments.

Chinese participants noted that while the narrow element of strategic stability is important, the arms control community in China is small and does not have a lot of influence over Chinese foreign policy. Therefore, when Chinese officials talk about strategic stability they are talking about whether the long-term US-China relationship is stable. The narrow concept is not a top priority for them. Moreover, Beijing, according to Chinese participants, did not understand what the Obama administration wanted to talk about regarding the nuclear aspects of strategic stability.

Nonetheless, Chinese interlocutors wanted to know whether major changes in US China policy or US nuclear policy are forthcoming. They argued that a US policy oriented around strategic stability would be an important indication of US desire for a constructive rather than confrontational relationship with China. If the new Nuclear Posture Review (NPR) and Ballistic

Missile Defense Review (BMDR) do not include the concept, Beijing would mistrust US intentions and may conclude that it is pursuing a strategy of “nuclear superiority.”

Integrated Strategic Deterrence

The third session tackled the interaction between nuclear weapons and other strategic capabilities. Both the United States and China are thinking about how deterrence functions across multiple domains, developing concepts such as “integrated strategic deterrence,” “cross-domain deterrence,” “comprehensive deterrence,” and “multi-domain deterrence.” Participants agreed that there remains little agreement on either side about the impact of advanced space, cyber, and conventional weapons capabilities on strategic stability and nuclear deterrence.

As both the United States and China take steps to integrate their military operations across domains, there will likely be impacts on strategic stability given the potential for cyber attacks on nuclear forces, conventional strikes on co-located nuclear and conventional forces, and counter-space strikes targeting dual-use satellites. A US participant noted that “integrated deterrence” is something that is “easy to say and hard to do.” In a crisis or conflict where military operations are occurring across multiple domains, signaling will be especially difficult, increasing chances of misperception and inadvertent escalation.

One potential solution to the dual-capability issue would be for these capabilities to be off limits during a conventional conflict. Such a solution, however, is not realistic, in part because it would create a moral hazard by encouraging the United States and China to make more systems dual-capable. Instead, a US participant countered that a more stabilizing solution would be for the United States and China to build separate, nuclear-only forces and supporting command, control, intelligence, surveillance, and reconnaissance.

For the United States, a different but related concept is the integration of nuclear and conventional deterrence. While the US continues to see the fundamental role of nuclear weapons as deterring nuclear attack, countries like Russia and North Korea have made clear that there are circumstances in which they would consider using nuclear weapons to try to terminate a conventional conflict on favorable terms. To counter these threats, the US needs to think about ways to deter nuclear use and prevent escalation during conventional conflicts with nuclear-armed adversaries. US participants noted that this change in US thinking is not being driven by China, but that would change if China were to consider using nuclear weapons first during a conventional conflict.

Nuclear Cooperation

The fourth session explored potential areas for US-China nuclear cooperation. Over the last eight years, the two countries have cooperated to counter nuclear terrorism, coordinated in the Nonproliferation Treaty (NPT) Review Conference process, and worked together on regional nuclear security after Fukushima. The cooperation has not, however, spilled over to bilateral US-China nuclear weapons issues.

Participants were generally pessimistic about US-China nuclear weapons cooperation and could identify a few select areas of potential cooperation. US participants noted that US-China strategic affairs involve a range of different capabilities and technologies, and it will be difficult to find equitable tradeoffs. There are also complex strategic geometries: US and Chinese forces interact with North and South Korea, India and Pakistan, and Russia.

Nonetheless, participants discussed the parameters of potential US-China strategic nuclear cooperation. A US participant proposed that the US and China might be able reach an agreement in which the United States publicly committed not seek to undermine China's nuclear second strike capability in exchange for China accepting US numerical nuclear superiority. A Chinese participant argued that, to stabilize the US-China relationship, Washington should reassure China by agreeing to limits on the deployment of missile defenses, particularly in Northeast Asia, and committing to a policy in which nuclear weapons are only for retaliation against nuclear attack.

US participants called on China to propose genuine "win-win" proposals in the nuclear area. Some noncontroversial areas of cooperation might include a joint US-China statement on principles for avoiding irresponsible nuclear rhetoric, Chinese participation in the Proliferation Security Initiative (PSI), and US-China cooperation to prevent a nuclear crisis between India and Pakistan. The United States and China could also put forward joint proposals in multilateral forums like the ASEAN Regional Forum.

Preventing a Crisis with North Korea

The fifth session explored strategies for rolling back or limiting North Korea's nuclear program. They agreed that the Kim regime is unlikely to collapse soon and that North Korea is making rapid progress toward the deployment of a more advanced nuclear weapons force. Participants also agreed that North Korea is extremely unlikely to voluntarily give up its nuclear weapons program. At the same time, US participants noted that the United States and South Korea are unwilling to accept North Korea as a nuclear weapon state.

A US participant reviewed North Korean activity and positions at unofficial dialogues. At those meetings, North Korean diplomats made clear that Pyongyang's position remains that any discussions with the US should be about a peace treaty to officially end the Korean War. North Korea sees this condition for talks as a prerequisite, not a quid pro quo for ending its nuclear program. North Korea wants direct bilateral negotiations with the United States, but has shown more flexibility about including South Korea in peace treaty discussions and less flexibility about China having a role. North Korean diplomats have also attempted to challenge the legality of United Nations sanctions at Council for Security Cooperation in the Asia Pacific (CSCAP) meetings.

Chinese interlocutors expressed exasperation with Kim Jong Un, but reiterated that China has a strong interest in keeping a pro-China North Korea as a buffer and therefore is unlikely to substantially increase pressure on Pyongyang. One said "China needs North Korea more than North Korea needs China, and North Korea knows it." Chinese participants insisted that negotiations are the only way to deescalate the situation. They advised that the best path forward

would be for the United States and South Korea to abandon talk of preemptive strikes, to continue to refuse to deploy nuclear weapons in Japan and South Korea, and for the United States and South Korea to find an alternative to THAAD.

Many US participants agreed that the US should pursue some kind of dialogue with North Korea. One US participant noted that the Obama administration was open to bilateral talks, but Pyongyang insisted that Washington recognize North Korea as a nuclear weapon state as a precondition. Another participant outlined the parameters of a US-North Korea negotiation: at a minimum, the United States would demand a freeze on the development and deployment of nuclear weapons program, no nuclear testing, no long-range missile or space-launch vehicle launches, and no enrichment or reprocessing. US participants evinced a range of views whether Washington should pursue such a deal and the chances that negotiations would yield a mutually acceptable outcome. Some argued that a freeze would not be in the US interest because it would leave North Korea with too much nuclear capability and the opportunity to cheat and pocket concessions. Others argued that a freeze is the best the US can hope for at this point and that, even if negotiations failed, trying and failing would build support for a long-term containment strategy.

US participants noted the real and growing North Korean nuclear weapons and missile threat that led to the deployment of THAAD, and reiterated the technical limitations of THAAD that would prevent it from challenging China's nuclear second-strike capability. They made clear that they viewed Chinese objections as disingenuous, particularly given Beijing's unwillingness to accept official technical briefings on THAAD. In addition, they argued that unfounded objections would only stiffen South Korea's resolve to accept THAAD and make more difficult future US-China cooperation aimed at enhancing strategic stability.

Chinese participants were not assuaged and continued to dismiss US assurances, raising a number of objections. First, they noted that Chinese experts make different assumptions about the technical capability of THAAD, which increases the threat to Chinese long-range missiles. Second, they argued that the Army Navy/Transportable Radar (AN/TPY-2) to be deployed with THAAD would give the US the ability to look deep within China to monitor its missile tests. Third, Chinese participants worried that the deployment of THAAD in South Korea would facilitate US missile defense deployments in northeast Asia, greater US-Japan-ROK trilateral cooperation, and possibly even an Asian version of NATO. Finally, they were much more confident than their US counterparts that North Korea would never actually use a nuclear weapon.

Chinese participants insisted that if North Korea, not China, were the real target of the US THAAD deployment then the United States would be more willing to reassure China. They suggested that the United States could build a physical barrier next to the AN/TPY-2 radar to prevent it from looking toward China, operate the THAAD system in South Korea with a different, less capable radar, or set clear, public limits on future deployments of missile defense in northeast Asia. They also claimed that Beijing has been unwilling to accept US technical briefing on THAAD because it believes that the United States is unwilling to make technical modifications. If Washington does not reassure Beijing, Chinese participants warned that China

would react by improving and expanding China's nuclear forces and limiting cooperation in other areas.

Managing a Crisis with North Korea

The North Korea discussion continued, turning from how to prevent a crisis to how to manage one. Chinese participants noted that China and the United States have cooperated on dealing with North Korea for the last two decades despite differences in other areas, but warned that the US deployment of THAAD to South Korea might limit future cooperation. Chinese participants also noted that China's policy toward North Korea has hardened in recent months.

US participants suggested that it would be beneficial to discuss high-end contingencies, such as a collapse of the Kim regime or an escalating war between North and South Korea. Participants on both sides noted that China and the United States would likely have very different objectives in these scenarios, making planning for cooperation and coordination all the more important. For example, if North Korea were on the brink of collapse, South Korea might be interested in pursuing reunification, while China would be primarily interested in maintaining a friendly regime in North Korea.

One Chinese participant argued that the Chinese government might show flexibility depending on how a crisis develops. Beijing might be willing to back South Korea if it thought North Korea initiated a crisis or conflict. However, China would only support military actions that, in the model of the 1991 Gulf War, punished North Korea without pursuing regime change. If the United States and South Korea were seen as pursuing regime change, then Beijing might have another view and send in its military to prevent the regime from being overrun. In some circumstances, Beijing might be willing to replacing the Kim Jong Un regime with a pro-China replacement. US participants suggested that this idea be discussed further in Track 1.5/2 settings.

Chinese participants again returned to the US deployment of THAAD as an impediment to cooperation. US participants argued that China needs to think about its post-THAAD policy on the Korean Peninsula because Washington and Seoul are unlikely to change course and the imperative for United States-China cooperation will remain. To improve the chances of negotiations, US participants suggested that China develop a plan to pay for a freeze of North Korea's development of nuclear weapons and long-range missiles. US and Chinese participants also agreed that areas of cooperation could include preventing North Korean provocations, ensuring nuclear safety in North Korea, and responding to another North Korean nuclear test.

Next Steps for US-China Strategic Relations

In the final session, US and Chinese participants explored ways that their two countries could improve their strategic relationship. A number of proposals were offered that could be pursued at the official and unofficial level to enhance the nuclear aspects of bilateral strategic stability.

A US participant suggested a number of specific proposals that Washington and Beijing should pursue as part of a process of mutual reassurance and restraint. To reassure China that any

US policy changes during the Trump administration are not intended to negate China's nuclear second strike capability, the United States and China should hold an official experts exchange that focuses on the US Nuclear Posture Review and which could serve as an input to that review. Discussions should include the global and regional nuclear landscape, projections of US and Chinese nuclear capabilities, and views on shared security challenges. Chinese participants agreed that discussions as the NPR is occurring, rather than briefings after it is complete, would help prevent misunderstanding.

In addition, the United States and China should officially explore confidence-building measures that would allay Beijing's concerns about the deployment of THAAD in South Korea and establish a sustained, official dialogue on the nuclear-aspects of strategic stability. The official dialogue should include discussions of the types of responses the United States will likely take as the North Korean nuclear missile threat grows and ways that Washington and Beijing can prevent such developments from affecting US-China strategic stability.

A Chinese participant agreed that the United States and China need to take steps to avoid negative strategic competition and supported the idea of using the US-China strategic stability dialogue to inform top leadership in Beijing. He suggested two ways that Beijing could enhance strategic stability. First, China should review its assessment that US alliances are Cold War relics that do not contribute to stability and publicly acknowledge the stabilizing effect of the US-ROK alliance. Second, China should clarify that its mutual defense treaty with North Korea would apply to circumstances in which North Korea were attacked, and not conflicts that were initiated by Pyongyang.

US and Chinese participants also highlighted the benefits of the Track 1.5/2 forum. Frank and open discussions allow US and Chinese experts to hear suspicions and concerns of the other side, discuss issues that are too sensitive for official dialogue, and identify, debate, and refine proposals that can feed into official US-China dialogue. US and Chinese participants agreed that, on issues like the upcoming US NPR, unofficial dialogue would allow the United States and China to move beyond talking points, discuss issues in greater depth, and inform the official process. There might also be opportunities for US and Chinese experts outside government to do cooperative research on issues such as THAAD that could be fed into official dialogues.

APPENDIX A



US-China Dialogue on Strategic Nuclear Dynamics Pacific Forum CSIS Workshop Washington, DC ♦ March 22-23, 2017

AGENDA

Wednesday, March 22, 2017

9:00 AM **Opening Remarks**

9:10 AM **Session 1: US-China strategic relations: The state of play**

What is the state of the overall bilateral relationship? What will most influence it? How does each side assess the new US administration's approach to China? What impact can we expect from the upcoming National Congress of China's Communist Party? What are the implications for each side's military strategies, postures, and modernization programs?

Presenters:

Bonnie GLASER (CSIS)

FAN Gaoyue (Sichuan University)

10:45 AM **Coffee break**

11:00 AM **Session 2: Organizing principles for the strategic relationship**

What is/should be the organizing principle for the two countries' strategic relationship? Will strategic stability work or should it be something else? What other principle(s) could apply? Where do we agree and disagree about the requirements of stability? What does China need from the United States to gain confidence that the strategic military relationship will remain stable? What does the United States need from China? What has been the impact of a decade of track 1.5 dialogue on strategic nuclear dynamics?

Presenters:

Brad ROBERTS (Lawrence Livermore National Laboratory)

12:30 PM **Lunch**

2:00 PM **Session 3: Integrated strategic deterrence**

What are the differences, similarities, and interactions between conventional, nuclear, space, and cyber capabilities? How have the United States and China attempted to integrate these capabilities into their deterrent strategy and posture? What does “integrated” mean when we talk about integrated strategic deterrence? What is the relationship between integrated strategic deterrence and war control in US Chinese military thinking? What can the United States and China do to reduce the risks of unwanted escalation? [Discussion will focus and build on the “Rules of the Road in Nuclear, Space, and Cyber Domains” draft memo initiated at the June 2016 US-China dialogue.]

Presenters:

Phil SAUNDERS (National Defense University)

Elaine BUNN (US Department of Defense)

ZHUANG Jianzhong (Shanghai Center for RimPac Strategic and International Studies)

3:30 PM **Coffee break**

3:45 PM **Session 4: Nuclear cooperation**

What strategic areas are fertile for US-China cooperation? What steps should the United States and China take to reassure each other? What steps should each side refrain from taking? What is the prospect for arms control between the two countries? What cooperative measures should they take to strengthen the global nuclear order, notably to combat nuclear proliferation and terrorism? In what fora (bilateral talks, the P5, for example) should they invest most to combat these threats? [Discussions about North Korea should be withheld for Sessions 5 and 6.]

Presenters:

Chris TWOMEY (Naval Postgraduate School)

Chunsi WU (Shanghai Institute for International Studies)

5:00 PM **Meeting adjourns**

Thursday, March 23, 2017

9:00 AM **Session 5 – Preventing a crisis with North Korea**

How can the United States and China cooperate to address the North Korean nuclear problem? What options do they have at their disposal? What end-goals can and should they pursue jointly? What strategy can/should they adopt? What are the benefits, risks, and costs of each approach? How can they overcome challenges?

Presenters:

Ralph COSSA (Pacific Forum CSIS)

LIU Chong (China Institutes of Contemporary International Relations)

10:45 AM **Coffee Break**

11:00 AM **Session 6: Managing a crisis with North Korea**

How can the United States and China cooperate to manage an escalating crisis stemming from a North Korean provocation? How does each side define a crisis? What are the best mechanisms for cooperation? What are each side's goals and priorities in a crisis? [This session will include a debrief of the results of the tabletop exercise conducted at the 2016 track-1.5 US-ROK-Japan Strategic Dialogue.]

Presenters:

HAN Hua (Peking University)

Victor CHA (CSIS)

12:30 PM **Lunch**

2:00 PM **Session 7 – Next steps for US-China strategic relations**

Looking to the future, what should be the goals and priorities for US-China strategic relations? What specific steps are recommended to achieve them? What role can and should this dialogue play in that process?

Presenters:

Lewis A. DUNN (SAIC)

SHEN Dingli (Fudan University)

3:30 PM **Meeting adjourns**

APPENDIX B



**US-China Dialogue on Strategic Nuclear Dynamics
Pacific Forum CSIS Workshop
Washington, DC ♦ March 22-23, 2017**

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