Early on the afternoon of August 5, 2016, two hundred to three hundred Chinese fishing vessels abruptly descended on waters around the contested Senkaku Islands (Diaoyu/Diaoyutai Islands in China and Taiwan) in the East China Sea. According to the Japan Coast Guard (JCG), what followed was unprecedented. Over the next four days, a total of twenty-eight China Coast Guard (CCG) vessels escorted the fishing boats into what the Government of Japan (GOJ) considers its undisputed territorial seas (0–12 nautical miles [nm] from the Senkakus). By August 8, fifteen CCG ships were observed gathered en masse in the contiguous zone (12–24 nm). Other reports claimed China’s People’s Armed Forces Maritime Militia (PAFMM) were also embarked upon some of the fishing vessels.

The events of early August 2016 ended peacefully and with no landings on the disputed islands. But they also gave Japanese planners a concrete operational example of a long-feared, potentially escalatory gray zone crisis. Japanese concerns can be traced to a significant increase in Chinese government vessel activity following the GOJ’s “nationalization” of three of the uninhabited islets in September 2012. In one widely discussed hypothetical scenario, hundreds of Chinese fishing vessels, possibly coordinating with the
CCG and backed by the People's Liberation Army Navy (PLAN) over the horizon, would embark heavily armed fake fishermen (偽装漁船; i.e., PAFMM) on the islands. These armed individuals could then overpower Japanese police officers deployed from nearby islands to arrest them. Japan would be forced to choose between accepting a fait accompli or risking a military confrontation to restore the status quo.5

This particular scenario may never occur. Yet a gray zone challenge-induced political-military crisis between China and Japan is hardly fantastical. In the South China Sea, China has employed the CCG and PAFMM to assert control over disputed land features while staying below the level of armed attack.6

Especially since September 2012, the transformed operational dynamics in the East China Sea have raised the stakes. Political and military leaders on all sides, including the U.S. government, have warned of the surge in risky activity in the waters and airspace surrounding the Senkakus.7 Beyond the operational environment, remarkably weak ties and infrequent meetings between Chinese and Japanese political and military leaders, coupled with longstanding concerns about their respective crisis management capabilities, provide further grounds for concern.8 Outside Japan, the South China Sea has dominated international discourse on China's territorial disputes since at least 2014; however, the operational picture in the East China Sea's waters and airspace demands greater attention. Although Japan and China benefit greatly from their enormous trading relationship and no leader seeks a kinetic conflict, contemporary realities call for the risks of a gray zone contingency in the East China Sea to be taken seriously.

Accordingly, this chapter examines major drivers behind, trends concerning, and consequences of China's maritime gray zone operations in the area surrounding the Senkakus. Because these developments are not unfolding in a vacuum, it also analyzes Japan's key responses to China's gray zone challenge.

This chapter is divided into two parts. The first examines how China's maritime gray zone operations have transformed the operational environment surrounding the Senkakus, especially since September 2012, and discusses their motivating logic. CCG vessels now regularly enter waters within 12 nm of the contested islands to assert Beijing's sovereignty claim without firing (or provoking) a shot.9 The second part examines the oft-overlooked aspects of Japan's own response to China's challenge, with a primary focus on the JCG. These developments carry major implications for U.S. policymakers and the U.S. armed forces—both within and beyond a U.S.-Japan alliance context.

Flooding the Zone: China's Gray Zone Operations around the Senkakus

Although its sovereignty claim dates back at least to the early 1970s, for decades Beijing did not challenge Japanese administration over the Senkakus operationally. This changed categorically in September 2012. The alleged catalyst for Beijing's policy shift was the GOJ's purchase of three of the contested islands from a private Japanese citizen to prevent their acquisition and expected subsequent development by the governor of Tokyo—a nationalist firebrand. Ironically, the Democratic Party of Japan (DPJ) government's stated objective was to avoid provoking Beijing. Regardless, Beijing apparently judged that it was no longer in its interest to shelve the decades-old dispute. It responded to Japan's "nationalization" by dramatically increasing government ships' presence near the disputed islands.

The Logic of China's Gray Zone Challenge

The most prominent gray zone features of China's post-September 2012 operational surge in the waters and airspace surrounding the islands have been the almost daily visibility of increasingly capable CCG vessels in the Senkakus' contiguous zone and their regular presence missions in the islands' territorial sea. For two years, operational pressure was coupled with a freeze of various Sino-Japanese dialogues and a propaganda effort aimed at convincing the world that Japan's actions "undermined China's territorial sovereignty" and even posed a threat to the postwar order.10

Taken in the larger strategic and political context, China's maritime gray zone operations appear aimed primarily at compelling the GOJ to recognize the existence of a territorial dispute and possibly to enter diplomatic negotiations. At least initially, Beijing also seemed to be probing the scope of U.S. defense commitments to Japan under the 1960 U.S.-Japan security treaty.

Beyond the obvious factor of the United Nations charter, which gives all states manifold reasons to pursue strategic objectives using means short of war, there are several specific reasons for Beijing to limit its challenge to Japan's administration of the islands to gray zone operations.

First, China confronts a robust conventional deterrent. Although the very capable JCG—backed by the robust Japan Self-Defense Forces (JSDF)—is clearly on the front lines, deterrence is further bolstered by Japan's ally, the United States, which has significant military assets forward deployed in Japan—especially in the southwest (Okinawa). Although the U.S. government
enforcement activities ("maritime security operations") in support of the JCG. Although considered noncombat activities under Japanese law, once JMSDF gray hulls are involved, Beijing is unlikely—especially in a crisis—to appreciate the GOJ’s distinction between “use of weapons” and “use of force.” To the extent Japan remains unwilling to involve the JMSDF directly given longstanding constitutional, legal, and normative obstacles to use force without first absorbing (or judging as imminent) an armed attack, Beijing seems to have judged it can assert its claim using sub-threshold gray zone operations with relative impunity. 

Finally, the developmental trajectory of China’s paranaval forces is such that Beijing may judge that if it chooses to escalate further (for example, by an island occupation), the CCG—even without the People’s Liberation Army’s (PLA’s) direct involvement—could conceivably overwhelm the very capable but legally constrained and thinly stretched JCG. This would be even more likely if the CCG were supported by hundreds of PAFMM fishing boats. A potential gray zone fait accompli would force Japan to decide whether to be the first to employ kinetic force and/or its JSDF, an action that its leaders have been extremely reluctant to take since 1945 and that Beijing may then attempt to exploit.

The CCG’s Evolving Presence Operations: A Drama in Three Acts (So Far)

Beijing deploys Chinese government vessels to waters around the Senkaku Islands to achieve its political and operational objectives. These presence missions can be traced most directly to a major Sino-Japanese political dispute in 2010.

September 2010 Fishing Boat Collision and Its Aftermath

On September 7, 2010, a Chinese fishing boat collided with two JCG vessels near the Senkakus. In contrast to past incidents, Japan’s DPJ government transferred the fishing boat captain to the Naha district public prosecutor’s office for prosecution under domestic law. In Japan, the collision was seen as an unprecedented, provocative ramming of Japanese government vessels. Yet the Chinese fishing boat captain was reportedly intoxicated, suggesting the incident was probably not orchestrated by Beijing. From China’s perspective, Japan’s actions were considered a violation of bilateral fisheries agreements and a 2004 understanding that any activists would be deported immediately. Prosecuting a Chinese fisherman under Japanese domestic law also led Beijing to suspect Japan’s new DPJ government was abandoning what China had long
Maintained was a 1978 agreement between the two governments to "shelve" the dispute.26

Beijing's response to the captain's arrest marked the first major inflection point in China's maritime gray zone operations near the Senkakus. Initially, China deployed a single Fisheries Law Enforcement (FLE) vessel. But others soon joined it, and three FLE patrol vessels conducted patrols in the contiguous zone during the week of September 10–17. Two vessels then conducted patrols intermittently for several weeks thereafter. Over the next three months, a total of forty-six (twenty-four in September, fourteen in October, and eight in November) Chinese state-owned vessels entered the contiguous zone. JCG data show no evidence, however, of entrance into the Senkakus' territorial sea during this period.

**September 2012: “Nationalization” as a Game-Changer**

Regardless of Japan's intent, Beijing's reaction to the GOJ September 2012 purchase of the islands from a Japanese citizen made it a political and operational game-changer.27 First, it elevated the dispute to be the major flashpoint in Sino-Japanese relations and a primary focus of Japan's defense planners and U.S.-Japan alliance handlers. The timing was also inopportune. It gave Xi Jinping and Shinzo Abe—two conservative leaders whose rise to power coincided almost perfectly with the diplomatic contretemps resulting from the September 2012 purchase—strong political incentives to adopt hard lines.28 Second, it transformed the operational status quo, resulting in a surge of PLA and paramilitary activity in the waters and airspace surrounding the islands (see exhibit 12-1). To meet this new challenge, half of the JCG was reportedly deployed to the Senkakus by the end of September 2012, showing how thinly stretched the organization had become.29

In contrast to what Japanese officials privately referred to as unprofessional, dangerous, and unpredictable maneuvers in the months immediately following September 2012, within a year CCG activities had become more professional and routine. By late 2013 a common though not universal pattern had emerged that Japanese analysts term "three-three-two": two to three times per month, three CCG vessels entered the 12 nm zone at around 10 a.m. and stayed for two hours.30 To distinguish their operations from innocent passage, Chinese vessels declare that they are conducting a law enforcement mission.31

In short, five years after "nationalization," the near-daily presence of multiple CCG vessels in the contiguous zone and intermittent sailing inside the Senkakus' territorial sea maintain Beijing's original intention: to assert China's sovereignty claim and challenge Japan's unilateral administrative control, all while attempting to coerce Japan to the negotiating table without provoking a kinetic response.

**August 2016: Inflection Point or One-Off?**

Theories abound concerning the motivations behind the unprecedented early August 2016 surge in CCG and Chinese fishing vessel activity in the territorial waters and contiguous zone mentioned earlier in this chapter. Explanations range from the banal (the fishing ban was lifted on August 1) to the diplomatic (expressing displeasure with Japan's repeated criticism of China over South China Sea issues, especially immediately following the July 2016 arbitral tribunal ruling) or domestic political (Xi's desire to solidify his domestic standing at the annual meeting in Beidaihe that same week).32 Japanese officials feared a similar incident for August 2017, but this never occurred.

Regardless of Beijing's intent, several aspects of this incident mark it as a third inflection point in China's maritime gray zone operations near the Senkakus. First, following the incident, four CCG vessels began entering the 12 nm zone, raising prospects of a lasting shift from the post-2013 pattern of three-three-two to three-four-two (or more).33 Second, it demonstrated both remarkably close coordination between the CCG and fishing vessels and China's ability to surge CCG presence. The JCG officially judged as unprecedented both the CCG following Chinese fishing vessels into and out of Japan-administered territorial waters and, on August 8, the number of CCG vessels (fifteen) gathered simultaneously in the contiguous zone.34 The number of confirmed CCG vessels also greatly exceeded numbers previously confirmed operating near the Senkakus.35 Third, JCG confirmed that some of these CCG vessels were armed.36

The official takeaway of Japan's ministry of defense (JMOD) was telling: "China demonstrated the ability to, as necessary, simultaneously put a large number of government vessels—including armed vessels—into the waters surrounding Senkaku."37 The JCG did not announce how many of its patrol ships responded, but its new, twelve-strong Ishigaki-based Senkaku task force was reportedly overwhelmed and required reinforcements from districts around Japan, totaling perhaps thirty ships.38 The number and type of vessels deployed by Beijing raise questions about the JCG's ability to counter China in the East China Sea, to say nothing of effectively confronting a possible two-front challenge (e.g., Chinese coral harvesting vessels in the Ogasawara Islands).39
Exhibit 12-1. Activity by Official Chinese Government Vessels

- No. of vessels identified within the territorial sea
- No. of vessels identified within the contiguous zone
The Role of the Maritime Militia around the Senkakus: More Questions than Answers

The existing literature on PAFMM activity is focused almost exclusively on the militia's role in the South China Sea. References to operations in the East China Sea—particularly the Senkakus—are limited and are generally vague and/or dubiously sourced. As noted, one of the (potentially) most salient data points concerning the events of August 5–9, 2016, was the widespread assertion that PAFMM were embarked on the fishing vessels.

Nevertheless, reports claiming PAFMM involvement in August 2016 raise more questions than answers about the extent of their presence and likely role (or lack thereof) around the Senkakus. Significantly, the authoritative JCG report on the incident makes no reference to PAFMM involvement. An October 2016 article by Yuji Sato, the recently retired JCG commandant who served from 2013 to June 2016, refers vaguely to the possibility of militia aboard ships while expressing general concern that many of these fishing vessels are connected via satellite to China’s government and thus are able to be tracked and receive central direction. Recent reporting suggests that fishing vessels rarely visit the area without Beijing’s permission (and seek CCG escort), but this does not necessarily mean those that do visit are militia. Discussions with leading Japanese experts on East China Sea matters provided insufficient data to either confirm or deny PAFMM involvement. Most recently, Japan’s 2017 defense white paper briefly mentions the PAFMM but only in vague terms. It makes no reference to any PAFMM operations in the East China Sea.

Meanwhile, claims of PAFMM involvement found in Western and Japanese media are often thinly or dubiously sourced. There is also reason to be concerned about an echo chamber. For example, one Japanese article cites a single, unnamed “JCG official” of unknown rank or position reportedly claiming that more than one hundred militiamen were involved. The article also claims the PAFMM are regularly involved in operations near the Senkakus but cites no evidence and gives no indication of what kind of roles they play. At least one widely read English-language analysis appears to base its associated claims entirely on this Japanese article.

In his chapter in this volume, Conor Kennedy provides the most compelling analysis to date, citing significant PAFMM training in late July and early August as well as a visit by minister of defense Chang Wanguan to PAFMM units in Ningbo and Wenzhou—during which Chang called for China to “give full play to the power of Maritime People’s War.” Several days later, the August 2016 incident occurred. But this and other references to training in the East China Sea—but not explicitly the Senkakus—seem circumstantial.

The argument here is not that these claims are necessarily incorrect but that decisive conclusions should not be drawn given the limited data available. This is not surprising; ambiguity is part of the PAFMM’s raison d’être. The GOJ, for its part, may judge that releasing any information on PAFMM activity would be destabilizing or could reveal sensitive sources and methods.

These caveats aside, if one adopts Kennedy’s typology, a preliminary takeaway is that the PAFMM’s role in China’s maritime dispute strategy vis-à-vis the Senkakus appears far less important than in the South China Sea and at most limited to missions of presence and intelligence, surveillance, and reconnaissance (ISR). This is in stark contrast to its apparently widespread and multifaceted operations in the South China Sea, which include escort and harassment/sabotage and entail PAFMM deployments to most Chinese-claimed areas. Kennedy suggests the variation may be due in part to a Sino-Japanese fisheries agreement that covers the waters. Further research is needed to explain this disconnect, as well as empirically demonstrating what, if any, role the PAFMM may play in the East China Sea beyond the Senkakus (e.g., near oil and gas fields contested between China and Japan).

Additional Factors Shaping the Gray Zone Operational Environment

To understand the bigger picture of China’s gray zone operations near the Senkakus, it is important to look beyond the quantitative trend lines concerning the frequency of CCG presence missions. As Joshua Hickey, Andrew Erickson, and Henry Holst document in their chapter, China’s law enforcement fleet is far larger than it was in 2012, and the CCG vessels routinely sailing to the Senkakus are far more numerous and capable than those that initiated routine patrols to the disputed features. Other trends likewise bear highlighting. For example, since August 2014 at least one vessel within every group of CCG vessels that enters the territorial sea reportedly displaces three thousand tons or more. Since February 2015 three vessels displacing three thousand tons or more have entered simultaneously several times.

Components of the CCG have also become increasingly militarized. Since December 2015 armed cutters—including some former PLAN surface combatants—have regularly patrolled the Senkakus. These ships are crewed by members of the China Maritime Police (CMP), a component of China’s armed forces, albeit one now painted with CCG colors and assigned five-digit CCG hull numbers. From new CCG ships purpose-built more closely to military
Japan's Response to China's Maritime Gray Zone Challenge

In recent years, China has demonstrated the force numbers and budgetary and political will to assert its sovereignty claim through expanded gray zone operations near the Senkakus. In response, Tokyo is pursuing countermeasures of its own, even as it maintains a policy of nonescalation, deterrence, and denial focused on a JCG-centered law enforcement response. Despite significant legal and resource constraints, in terms of the JCG and JSDF force structure and posture and across national security-relevant political institutions, Japan has embarked on important reforms aimed at more effectively confronting China's maritime gray zone challenge.

Japan Discovers the Gray Zone

Gray zone conflict is arguably "as old as war itself." Yet the specific term "gray zone" did not appear in mainstream contemporary Japanese discourse until 2010. Its genesis and subsequent evolution have been directly linked to China's gray zone challenge in the East China Sea.

The first major GOJ document to introduce the term "gray zone" to Japanese security discourse was the 2010 national defense program guidelines (NDPG). Released in 1978, 2004, 2010, and 2013, NDPGs set forth the basic policies for Japan's security and JSDF development. The 2010 NDPG refers to "gray zone disputes" (グレーナゾン紛争), which it describes as an "increasing trend" and contrasts with the "declining probability of large-scale war between major powers." It defines them as "confrontations or disputes over territory, sovereignty, or economic interests that do not escalate to military conflict." Not coincidentally, the NDPG was released just three months after the September 2010 fishing trawler incident.

In recent years, the MOD has highlighted the growth and persistence of "gray zone situations" (グレーナゾン事態), which it defines as "situations related to territory, sovereignty, and economic interests that constitute neither a pure peacetime nor emergency situation." A major July 2014 cabinet decision more popularly associated with constitutional reinterpretation to allow limited exercise of collective self-defense does not actually use the term "gray zone" but clearly engages the concept, focusing one of its three sections entirely on "Response to an Infringement That Does Not Amount to an Armed Attack" (武装攻撃に至らない侵害への対処).

Subsequently, due to widespread reporting on the 2014 cabinet decision, the major package of security legislation based off it the following year, and the incorporation of the concept into a major 2015 revision of the U.S.-Japan guidelines for defense cooperation, by late 2015 the gray zone concept had been effectively mainstreamed in Japan.

The discourse surrounding GOJ definitions of gray zone makes clear that a potential contingency around the Senkakus has been the major driver. Some version of the following basic scenario has figured prominently, though others have also been considered:

- **Phase 1**: A massive fleet of unidentified (presumably Chinese) fishing vessels, perhaps supported by the CCG, overwhelms the JCG
- **Phase 2**: Heavily armed Chinese "fake fishermen" (presumably militiamen) land and remain on the Senkakus.
vessel incursions into territorial waters;" CCG maritime law enforcement [activities];" and "fishing vessel incursions into territorial waters." Elsewhere, Sato has also vaguely referenced concerns about possible involvement by maritime militia. A recent article by Yuji Sato, JCG commandant from 2013 to 2016, provides an authoritative perspective on how many in Japan interpret China's maritime gray zone operations near the Senkakus as Beijing's "skillful exercise of non-military means" to violate Japan's maritime rights and interests and attempt to "change the status quo by force." In particular, he highlights "CCG incursions into [Japan's] territorial waters;" "CCG maritime law enforcement [activities];" and "fishing vessel incursions into territorial waters." Sato has also vaguely referenced concerns about possible involvement by maritime militia.

In response to these rapidly evolving challenges, especially since 2010, the GOJ has undertaken extensive reforms to rationalize and enhance Japan's ability to deter and, if necessary, expeditiously, effectively, and "seamlessly" respond to a gray zone contingency. These efforts include strengthening force structure and posture to bolster deterrence around Japan's remote southwestern islands; improving JCG-JMSDF coordination; and reforming domestic and U.S.-Japan institutions to more effectively anticipate and respond to gray zone challenges.

Bolstering Deterrence around Japan's Southwestern Islands

Since 2010 Japanese policymakers have come to see Japan's remote southwestern islands (including the Senkakus) as particularly vulnerable. This is because of not only these islands' proximity to China but also their small land area (limiting options for development), population (most are uninhabited), and relative geographic isolation (distance from Japan's four main islands and one another). Even the remote island of Ishigaki—which is part of the Yaeyama Islands, has jurisdiction over the Senkakus, and is home to the closest JCG patrol vessels—is roughly 170 kilometers (km) from the Senkakus (about 5 hours at 20 knots) and 400 km from Okinawa's capital city, Naha (about 11 hours). The Senkakus themselves are also roughly 400 km from Naha and 1,000 km from the closest of Japan's four main islands (Kyushu). The entire Yaeyama Island group consists of thirty-two islands, only a dozen of which are inhabited, and fifty-two thousand residents. Despite their proximity to potential flashpoints, these remote islands until very recently had no military presence. For instance, none of the islands hosted U.S. military installations during the period the United States administered Okinawa (1945-72). In fact, the first U.S. visit to these islands was not until 2007, at which time the only armed forces on Yonaguni were two police officers carrying handguns.

As the East China Sea has grown increasingly tense, the GOJ has taken several steps to reorient its strategic focus to defense of these remote islands. In particular, it has identified this shift as a priority in major government documents and has deployed newer, more numerous, and more capable JSDF and JCG assets west and southwest.

The 2010 and 2013 NDPGs Lead the Charge

Published just three months after the Chinese fishing trawler collision with two JCG vessels, the 2010 NDPG reflected a major shift in thinking about Japan's post-Cold War threat environment and, accordingly, the JSDF force posture and structure. In addition to introducing the gray zone concept, the NDPG also called for developing "Dynamic Defense Force" aimed at maximizing efficiencies despite persistent JSDF resource limitations. Particular emphasis was placed on bolstering ISR and the mobility and flexibility of Japan's forces and on moving away from an anachronistic Cold War posture focused on a potential Soviet invasion of the main islands from the north toward a perceived need to address a "vacuum" and "surveillance gap" around Japan's remote southwest islands, including the Senkakus. This reorientation accelerated as the tempo of China's gray zone operations surged after the September 2012 nationalization. The most recent (2013) NDPG emphasizes the need to develop "Dynamic Joint Defense Force," as well as "persistent ISR" and the ability to respond effectively to "an attack on remote islands," including the ability to "recapture" them if invaded.

Bolstering Deterrence through New Acquisitions and Deployments Southwest

In response to the top-down (political) push to reorient southwest, both the JSDF and the JCG have acquired new capabilities focused in large part on deterring a possible Senkakus contingency.

The first concrete step toward fortifying the southwest islands occurred on Yonaguni in April 2014, when construction began on the first new JSDF
facility in Okinawa since 1972: a 150-man coastal surveillance unit operating two radar sites.\textsuperscript{66} Completed in spring 2016, the radar station now provides enhanced ISR of Chinese ship and aircraft activities in the East China Sea. Over the next several years, five hundred Ground Self-Defense Force personnel, including antiship missile and surface-to-air missile units, will deploy to Ishigaki Island. JSDF is also stationing additional security and missile units in Miyakojima (Okinawa) and Amami-Oshima (Kagoshima).\textsuperscript{63}

Meanwhile, at the JSDF's major western hubs (e.g., Okinawa, Sasebo), the GOJ has further bolstered JSDF proximity and presence, ISR, and deterrence capabilities, including procurement of drones, dozens of amphibious vehicles, V-22s, submarines, and F-35s; establishing a permanent squadron of E-2C Hawkeyes and creating a new Ninth Air Wing at Naha Air Base, doubling the number of F-15Js stationed there to forty aircraft; and standing up Japan's first amphibious capability since 1945—a 2,100-strong "Amphibious Rapid Deployment Brigade" at Sasebo.\textsuperscript{64}

Although the JCG has no document analogous to the NDPG, the 2013 national security strategy—Japan's first-ever—stipulates the following: "To fully protect its territories, Japan will enhance the capabilities of the law enforcement agencies responsible for territorial patrol activities and reinforce its maritime surveillance capabilities."\textsuperscript{69} Especially since 2012, when JCG officers were given the legal right of arrest in remote islands, GOJ recognition that the JCG is on the front lines in the Senkakus has led to major changes to JCG force structure and posture in Japan's southwestern islands.\textsuperscript{68} In particular, the JCG has sought to bolster its Naha-based Eleventh Regional Headquarters and its ability to respond flexibly to the rapidly evolving gray zone challenge from China.

The measurable effects of this policy shift have been significant. Most importantly, record (albeit moderate) budget increases and internal reallocation of funds have enabled a roughly 50 percent increase in the JCG's total tonnage (from 70,500 to 105,500 tons) between 2010 and 2016. This investment has allowed for the creation of a twelve-ship dedicated Senkaku territorial waters guard unit based in front-line Ishigaki, enabling the Naha-based Eleventh Regional Headquarters to maintain around-the-clock presence in the area surrounding the Senkakus.\textsuperscript{67} This marks a transformative shift: in September 2012 the eleventh region possessed only seven large cutters. By 2017 it had nineteen, including the ten new 1,500-ton patrol boats and two 3,100-ton helicopter-carrying patrol ships dedicated exclusively to the Senkaku guard unit.\textsuperscript{68} The Ishigaki facility is now the largest JCG office in Japan and has

significantly reduced the need for long-term expeditions from other JCG regional headquarters as far away as Hokkaido—previously a common practice.\textsuperscript{69} To the east, the JCG upgraded its Miyako office to Miyakojima, department, doubled its patrol staff, and gave it three new patrol vessels. The Miyako coast guard is doubling in size to twelve patrol boats and a staff of two hundred.\textsuperscript{66}

More generally, the JCG has invested significantly in improving situational awareness by bolstering aerial surveillance, increasing patrols, and introducing an independent maritime surveillance system relying on private satellites.\textsuperscript{70} To facilitate more rapid crisis response, it is also establishing real-time video transmissions directly to the prime minister's office.\textsuperscript{71} No less significant, in 2013 an officer—not a bureaucrat—and one with past Senkaku patrol experience was appointed as JCG commandant for the first time.\textsuperscript{72}

Overcoming the JCG-JMSDF Divide

Despite recent progress addressing some of the aforementioned gaps, legal and technical issues still frustrate more robust coordination between the civilian (maritime law enforcement) JCG and its (de facto) military counterpart, the JMSDF. China's evolving challenge in the maritime gray zone has arguably exploited these perceived gaps. In particular, JCG-JMSDF interoperability, joint training and exercises, and shared maritime domain awareness remain limited.\textsuperscript{74} While cabinet decisions in July 2014 and May 2015 called for closer JCG-JMSDF cooperation, the aforementioned 2015 package of major security legislation passed without directly addressing gray zone situations, despite a major Abe-led campaign to do so.\textsuperscript{75}

Nevertheless, the JCG and the JMSDF have gradually improved cooperation in recent years. JCG personnel have deployed on JMSDF ships involved in antipiracy operations overseas. Specific to a Senkakus-related contingency, in July 2015 the two services conducted their first joint training on a gray zone scenario. It involved a foreign military vessel making suspicious movements. In November 2016 the JCG, the JMSDF, and Japan's National Police Agency conducted their first drill involving a scenario in which armed fishermen landed illegally on a remote island.\textsuperscript{76} Nevertheless, important gaps persist, despite the 2013 national security strategy's stipulation that "Japan will strengthen coordination among relevant ministries and agencies to be able to respond seamlessly to a variety of unexpected situations."\textsuperscript{77}
Institutional Reforms to More Effectively Address Gray Zone Contingencies

Although often overlooked by security analysts focused on budgets and platforms, well-designed and flexible institutions are sine qua non for effective deterrence or crisis response in any gray zone contingency—in the Senkakus or beyond. Especially since September 2012, the increasing perceived risk of such a contingency, coupled with deepening frustrations concerning existing institutions' inability to respond effectively, has accelerated the GOJ push for major reforms to enable more rapid, seamless, whole-of-government coordination both internally (GOJ) and bilaterally (U.S.-Japan). These reforms have been aimed in significant part at shrinking, if not eliminating, the gaps that were believed to make Japan particularly vulnerable to a gray zone challenge.

The push to rapidly improve intra-GOJ (interagency) and U.S.-Japan alliance coordination is reflected most significantly in the 2013 establishment of Japan's first-ever National Security Council (NSC; 国家安全保障会議) and in the 2015 U.S.-Japan Guidelines for Defense Cooperation. Motivated in significant part by concern about a maritime gray zone contingency and the very gaps China's operations seemed designed to exploit, the legislation establishing Japan's NSC and the 2015 U.S.-Japan guidelines sought to address a perceived need to respond effectively to security threats "in all phases, seamlessly, from peacetime to contingencies, including situations when an armed attack against Japan is not involved." Efficacy, policymakers argued, hinged on "robust, flexible, and effective" responses, as well as "whole-of-government" approaches.78

Relevant characteristics of Japan's NSC include the further centralization of foreign policy decisionmaking in the cabinet, allowing for more rapid response, and "big picture" strategic planning; significantly enhanced interagency coordination and crisis management; and an enhanced intelligence cycle and more effective information sharing across Japan's intelligence community. Japan's new national security secretariat, which supports its NSC, serves as a nexus for regular civil-military interaction, including expanded interactions among JCG, JSDF, and National Police Agency officers—all with potentially crucial roles to play in a Senkaku gray zone situation.79

Meanwhile, in April 2015 Tokyo and Washington fundamentally revised their 1997 bilateral Guidelines for Defense Cooperation with a possible Senkakus scenario in mind. Recognizing a qualitatively new threat environment—not just gray zone challenges but also the potential North Korean ballistic missile threat—the revised guidelines emphasize "seamless, robust, flexible, and effective bilateral responses, synergy across the two governments' national security policies, [and] a whole-of-government Alliance approach." Significantly, they replaced the allies' ineffective 1997 bilateral coordination mechanism, which required an armed attack to be activated and was never used, with a standing "alliance coordination mechanism" designed to "strengthen policy and operational coordination" and to "contribute to timely information sharing as well as the development and maintenance of common situational awareness" across the continuum from peacetime to gray zone to wartime. The guidelines also paved the way for legislation allowing the JSDF to protect U.S. military assets "if engaged in activities that contribute to the defense of Japan," even in situations short of an armed attack scenario.80

Conclusion

Over the past several years, Beijing's use of maritime gray zone forces to assert its vast disputed sovereignty claims below the threshold of armed attack has unnerved its neighbors and, especially as a security ally or partner of many of them, the United States. Specific to the Senkakus, Beijing's post-2012 maritime gray zone operations appear aimed at overturning the status quo of Japan's administrative control in a manner tailored to exploit existing operational, legal, and alliance gaps—as well as Japan's general reluctance to use force or otherwise escalate. The CCG's creeping militarization, expanding numbers, size, and capabilities, and expanded presence in the Senkakus' contiguous zone and territorial seas, coupled with the ever-present fear of "little blue men"—the maritime militia—occupying the islands, have challenged Japan's leaders in unprecedented ways.

The JCG is clearly on the front lines. Given Japan's status as an archipelagic nation of some 6,800 islands with an enormous exclusive economic zone, the JCG has long been one of the world's largest and most robust coast guards. Its capabilities and mandate to guard territorial waters were expanding significantly even before September 2010, freeing the JMSDF to conduct operations farther afield.81 Yet the significantly transformed post-2012 operational environment near the Senkakus presents new challenges in the gray zone. As China's maritime gray zone operations have become more frequent, numerous, provocative, and militarized, a qualitative transformation of the operational environment has occurred. The role of fishing boats—possibly with militiamen crewing them—further complicates Japan's challenge.

Since September 2010 Japan has adopted numerous reforms to expand its ability to address gaps in its southwestern island defenses, monitor Chinese activities in the surrounding waters and airspace, deny island access, deter
more egregious provocations, and ensure that the JCG, the JSDF, and the U.S.-Japan alliance can better respond—rapidly, flexibly, seamlessly—in the event any red line is crossed. Significant progress has been achieved in a relatively short time.

Looking forward, however, recent developments have also exposed the legal, technical, budgetary, and capability obstacles to more robust, flexible deterrence and denial that the GOJ faces. China’s likely advantage in a straightforward capabilities competition is still greater when one considers that only Japan bears the burden of maintaining constant, around-the-clock presence. The JCG is increasingly outgunned, figuratively and literally, heightening concerns in Tokyo about a fait accompli or armed clash if circumstances escalate. As a case in point, the JCG’s new twelve-ship Senkakus task force was reportedly overwhelmed in August 2016 and has already been forced to adopt “desperate measures” to meet normal mission requirements, such as a multiple crew swap system.62 A bolstering of China’s three-four-two deployment pattern, or a possible simultaneous two-front challenge (e.g., in the Senkakus and Ogasawaras), are additional concerns within Japan.

Notes

1. To minimize confusion, this chapter follows U.S. Board of Geographic Names convention and refers to the contested islands as “the Senkakus.”
4. The term “nationalization” can be misleading, since the GOJ purchased the islands from their private Japanese owner, but it is widely used in China and Japan.
6. As shorthand, CCG refers to Chinese state-owned vessels belonging to the four entities subsumed under the China Coast Guard in 2003, both before and after the CCG’s formal establishment.

9. The international legal logic of Beijing’s apparent attempt to “strengthen” its sovereignty claim is dubious; thus, its goals appear primarily political and coercive.
15. The JCG has, however, used weapons in the past in 2001 it sank an “unidentified vessel” — later revealed to be a North Korean spy ship.
18. The complex reasons for Japan’s general reluctance to use force are beyond the scope of this chapter but can be roughly captured in the concept of “exclusive defense” (専守防衛); a basic policy based on Japan’s “peace constitution” that effectively prohibits Japan from using force until an armed attack has occurred. 防衛白書 [Defense of
30. Ibid., 3.
29. "Regarding Early August 2016 Activities of Chinese State-Owned and Fishing Vessels...".
35. "Chinese Fishing Fleet Only Sails to Senkakus under Order of Beijing.
22. Xi became Chinese Communist Party general secretary and Central Military Commission chairman in November 2012; Abe was elected president of the Liberal Democratic Party in September 2012 and prime minister following a landslide election victory that December.
21. See ibid., 124-47, for a detailed overview of this incident and China’s response.
21. Xi became Chinese Communist Party general secretary and Central Military Commission chairman in November 2012; Abe was elected president of the Liberal Democratic Party in September 2012 and prime minister following a landslide election victory that December.

ambiguity concerning the term's operationalization and inconsistent definitions across the GOJ. [Morikawa Koichiro], "グレーゾーン事態対処の射程とその法的性質" ["Range and Legal Properties of Coping with Gray-zone Situations"], 国際問題 [International Affairs], no. 648 (January 2016): 39–38. Political contestation has also arguably left key associated issues unaddressed, such as what to do when a civilian policing response is insufficient for resolving a situation. Pajon, "Japan's Coast Guard and Maritime Self-Defense Force in the East China Sea," 116. Christopher W. Hughes, Japan's Foreign and Security Policy under the Abe Doctrine (London: Palgrave, 2015), 55–56.

53. Annual mentions of "gray zone" and "Senkaku" in Japan's largest newspaper, Yomiuri Shimbun, were zero from 1997 to 2009 but surged to nearly fifty by 2014.3 Ministry [Yomiuridashi] online database, https://database.yomiuri.co.jp.

54. For an example of some other scenarios, see Sasaki Peace Foundation USA, "Senkaku Islands Tabletop Exercise Report.


58. Sato, "The Japan Coast Guard Protects the Senkaku Islands to the Last.


62. Williams, "Militarizing Japan's Southwest Islands," 143.


69. Sato, "The Japan Coast Guard Protects the Senkaku Islands to the Last."