
China Wargame Simulation

NPEC Wargame Report 2001

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NONPROLIFERATION POLICY EDUCATION CENTER



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The **Nonproliferation Policy Education Center (NPEC)**, is a nonpartisan, nonprofit, educational organization founded in 1994 to promote a better understanding of strategic weapons proliferation issues. NPEC educates policymakers, journalists, and university professors about proliferation threats and possible new policies and measures to meet them. For more information, visit <http://www.npolicy.org/>.

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NPEC designed and published a website dedicated to the war simulation project. This site contains detailed information, readings, and materials. The site details can be found below. Note that the NPEC strategy game website is password protected to ensure the security of all participants and documents posed.

Website URL: <http://npecstrategygames.org>

Password: StrategyFall2020

China War Simulation

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Table of Contents:

Participants	Page 4
Objectives	Page 5
Format of the Game	Page 5
Game Scenario	Page 6
Crisis Narrative	Page 7
Conclusions and Recommendations	Page 10

Executive Summary

If one connects the dots of the People’s Republic of China (hereafter PRC) actions and policies over the last decade you will notice that:

- China has paid no penalty for ignoring World Court South China Sea ruling that they have disregarded and for which they have paid no noticeable penalty.
- China has paid no penalty for their initial hiding and not blocking the early global spread of COVID-19.
- China’s dismemberment of their promises to Hong Kong of “one country, two systems” has been without penalty.

As hope is not a method why should China not continue their declared agenda to re-establish control of Taiwan and other disputed islands controlled by other nations aligned with the United States?

In sum, the current trajectory of PRC threats and tepid global community responses have lowered U.S. security interests in the region. This in turn increases the probability that at some point the PRC will apply economic and military pressure on Taiwan to re-establish their control over the island and its populace. If the U.S. and its regional allies do not change the PRC calculus in the near term a scenario like the one played out in this wargame becomes more probable. Hopefully, some of the recommendations at the end of this report can inform a more substantive debate and call for action.

Workshop Participants

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China Wargame Simulation

Workshop Report

Introduction and Objective:

The virtual China wargame simulation is sponsored by the Nonproliferation Policy Education Center (NPEC). NPEC commissioned [Mark Herman](#), a nationally renowned wargame designer, to create and organize the war simulation. The wargame is designed for Congressional and U.S. government staff.

The objective of this war simulation is to examine the scope and implications for U.S. policy toward an overt and aggressive expansion of PRC control over Taiwan and contested Japanese island possessions. A full brief of this simulation can be found [here](#).

Format of the Game:

The examination was held through the conduct of a ‘virtual ’wargame that was conducted in three 3-hour sessions. The first three-hour session was held on October 15, 2020. The second three-hour session was held on October 21, 2020. The third three-hour session was held on October 22, 2002.

In specific, the game was designed by having a Plenary session before each three-hour session. This 30-minute Plenary session is dedicated to game instructions, briefings, and notification to the players on what happened in the previous turns. After this 30-minute introductory period, teams then split up to absorb and process the current situation, discuss strategy and important points about the situation, and decide on courses of action that were written and briefed at the turn ending Plenary session. The final 30-minute period of each move allowed each team to brief other teams on findings, observations, and decisions.

The participants were assigned to one of three teams: (1) United States, (2) Peoples Republic of China & Democratic People’s Republic of Korea, and (3) Regional Powers: Japan, Australia, and other nations in the region. The control center observed and controlled Taiwan while also conducting overall game administration.

Each team was assigned a Facilitator, Rapporteur, Team Leader, Briefer, and the remaining members. These roles were assigned before the first move. The team Captain was responsible to lead the discussion, document decisions, and aid the Briefer in preparing their end of turn presentation. To view the team assignments and participant’s roles, click [here](#). Each team was

given each participant's contact information to enable communication. Teams were supplied information and player expertise to distill the scenario information and the key challenges that need to be met. Teams developed a strategy and actions the team wanted to implement to advance their agenda and national security. Finally, teams built short briefings given in the Plenary session on team actions and rationales for those actions.

The Control center was designated for team communication among the three teams. Control also represented regional actors and nations that are on the periphery of the crisis. Also, Control adjudicated the impact and results of any military actions using the OSD/NA War in the South China Sea simulation.

Turn 1 was the crisis turn where critical decisions on the path ahead are made. Turn 2 advanced the clock a month or so after any initial Team military actions if any. Finally, turn 3 examined the long-term implications and enduring character of the crisis. After turn 3, teams then answered a series of questions:

1. What forces did they have that were not that useful in the scenario?
2. What forces were very useful, but in insufficient quantity to have a greater influence on the situation?
3. What changes in policy or U.S. posture would either avoid or ameliorate this situation in the future?

Finally, teams were able to take economic and military action, however, this was not required. Teams were able to prosecute a military campaign across the spectrum of warfare, whether it be hybrid, conventional, or nuclear war. These military actions were described and then adjudicated by Control between the 'live' turns in the simulation. The OSD/NA War in the South China Sea was used to adjudicate all player decisions which includes provisions for space and cyber warfare. Also, all legitimate military activities were allowed with the teams articulating the action and expected impact of the operation. Also, team actions can and did cover the full spectrum of Land, Air, Sea, Space, C3I, SoF, Cyber, Political and Economic options.

Game Scenario:

The scenario's purpose is not to predict the future but to create a 'credible' situation to enable the team discussion and decisions around U.S. policy responses to PRC aggression against Taiwan and Japan. Teams were asked to *not* fight the game scenario, as this was the given design. The time of this scenario was held in May of 2021, post-U.S. inauguration. There was no comment on the composition of the U.S. government and all that mattered was the U.S. policy trajectory over the last decade. Again, participants as a team were asked to examine the scope and implications

for U.S. policy toward an overt and aggressive expansion of PRC control over Taiwan and contested Japanese island possessions.

Within the game, China was presumed to be expansionistic and poised for its most aggressive phase against Taiwan and potentially Japan. From China's perspective its expansionist trajectory has: (1) Ignored World Court ruling on the South China Sea; tepid U.S. response, (2) origin of current Pandemic; took no responsibility and paid no price, (3) broke Hong Kong autonomy promises (One State, Two Systems); tepid World response, and (4) in pursuit of its desire to reunify Taiwan into the PRC. The next steps, per the stated agenda, were to re-establish Party control over Taiwan.

Road to Crisis

- 8 May 2021: PRC enforces its already declared Taiwan Exclusive Economic Zone by the deployment of their Naval forces into the zone and overseeing all traffic into and out of Taiwan to collect customs duties.
- Food and other necessary items are allowed into the island (after custom duties have been collected) and no overt military action or strikes are made against any Taiwan forces or installations.
- Taiwan calls on the United States to come to its aid and break the blockade of the island while threatening unilateral action if necessary.

Crisis Narrative (May 2021, Turn 1)

The United States was faced with how to view and implement the Taiwan Relations Act (H.R.2479 — 96th Congress). It has always remained a gray area whether the U.S. will defend Taiwan's sovereignty that this scenario is designed to stress. The U.S. team discussed a variety of responses but the two main messages were that they did not want Taiwan to take any unilateral action that exacerbated the situation and that the People's Republic of China (hereafter PRC) should withdraw its forces to de-escalate the situation.

To achieve these ends the U.S. sent public and private diplomatic messages to both parties while calling on Allies and the U.N. to persuade the PRC to negotiate and take another path to resolve the crisis short of conflict. These American limited objectives ran directly into the path of an unlimited PRC strategy characterized as the "Long March" focused on an enduring commitment to bringing Taiwan once and for all back under communist rule.

The PRC was prepared to maintain the status quo of their current Exclusive Economic Zone (hereafter EEZ) declarations that cast the situation as an exclusively domestic issue with no outside influence permitted. This policy challenges the Taiwan Relations Act and the source of the U.S. conundrum in resolving the crisis peacefully short of conflict.

While this obvious bilateral tension festers, the regional powers calculated how to either participate or remain neutral in the looming power struggle (see the matrix for individual regional perspectives). As it turns out the United Kingdom in 2020 had enunciated proactive support for Taiwan, so they were considered an interested party that was supported by Australia. The other significant outcome was the Japanese declaration that they would allow U.S. forces to use their bases on their territory while also drawing a red line around the Senkaku islands that they fear is the next domino to fall if Taiwan fails to remain in its previous status.

The fallout from all of this was a joint U.S./U.K. escort (USS Stethem/ HMS Somerset) of a Liberian tanker through the PRC EEZ. In the background, the PRC had already committed to initiating a ship collision against a reprise of the U.S. Persian Gulf tanker escort tactic. The PRC used a commercial vessel that drove into the USS Stethem causing significant waterline damage (24 May 2021). As the implications of this ‘accident’ filtered into the various world capitals, Taiwan’s leadership had determined that unless they forced the issue their conquest by the PRC seemed inevitable.

During the predawn hours of 25 May Taiwanese naval and air forces’-initiated operations against the PRC EEZ picket line that sunk three Frigates of the 16th Frigate Flotilla and one Destroyer from the 6th Destroyer Flotilla. In the air, both sides lost around a dozen aircraft as each side fed additional air assets into the fight over the Taiwan Straits.

In response to Taiwan strikes the PRC initiated preplanned counterforce strikes against Taiwan’s naval and air assets/ bases. While there were significant civilian casualties in co-located commercial/military facilities the broad intent of the strikes was military in their application. The Taiwanese navy took significant losses losing 4 Frigates with their air force reduced to less than 50% of their operating capability. As a footnote, Lloyd’s of London significantly increased insurance rates on all commercial traffic in the region.

Crisis Deepens (Turn 2)

When confronted with a crisis, gone ‘hot’ the U.S. began to consult with their allies (Australia and the United Kingdom), while continuing to discuss the level of host nation support that could be expected from the Japanese. Japan had made it clear that they would defend the Senkaku islands and deployed air defense and naval assets to the area. The U.S. declared a counter blockade of the PRC that extended out from Singapore in an arc toward Australia and Guam beyond the range of most PRC missile systems. This blockade was manned by a host of surface combatants and three U.S. carriers (Eisenhower transited from the Indian Ocean with the Nimitz/Reagan SE of Guam). This blockade was coordinated with a policy for escorting commercial vessels into Taiwan.

On the other side of the crisis the PRC’s leadership hardened their resolve to bring Taiwan back under their control. This led to a decision to escalate their forces committed to the blockade by sortieing the Northern fleet surface and submarine assets into the East China Sea. The PRC carrier

left port but remained in the Yellow Sea with escorts. In preparation for a potential confrontation with the USN, the 2nd Submarine Flotilla (6x SSN) took up station in the Central Pacific to potentially interdict U.S. lines of communication into the region. A more ominous development was the deployment of 3 of the 4 Jin-class SSBNs (one required maintenance) to the South China Sea.

The situation came to a head on the 4th of June when a U.S. escorted convoy of ships was confronted by PRC surface ships in the East China Sea. A PRC ramming attempt was triggered the USNs rules of engagement for self-defense and a major sea battle erupted. The carriers Nimitz and Reagan coordinated with USAF air assets out of Kadena (Okinawa) and devastated the PRC surface assets. This naval battle was waged above and below the sea where U.S. SSN attack boats sank at least 5 PRC diesel submarines from the 42nd Submarine Flotilla while losing two of their own. The battle raged on for four days (June 4-7) at which time both sides withdrew to replenish depleted missile ammunition. It was on June 7th that PRC Over the Horizon radar detected the US carriers and a salvo of DF21D missiles led to a single crippling hit on the USS Nimitz that had to be towed out of range by its escorts. Another missile struck CG 63 Cowpens and DDG Mustin; both sank it with extreme loss of life. The CG 67 Shiloh was also damaged by a near miss.

Conflict Drags On (Turn 3)

The scenario was advanced by three months to September 2021. At this point in the wargame, the players were asked to discuss and determine their strategy options going forward. Regarding the regional actors, the Australians, United Kingdom, and Japan were continuing to generate forces while maintaining the long-range naval blockade of the PRC. The blockade's force requirements were beginning to strain the resources of the various navies and the recognition that the blockade was porous yet sufficient to significantly disrupt PRC commercial trade.

In September the United States 'military forces in the Pacific had risen to four carrier groups and the deployment of a MEF (-) (Two Brigade Marine Expeditionary Force) amphibious group. While the U.S. force generation was continuing the September on hand forces now represented a credible offensive threat to PRC interests.

The PRC and the United States were both experiencing major economic trade and manufacturing disruptions resulting in various stock exchanges shedding over 40% of their pre-crisis valuations. While the United States was able to block the PRC's use of the two major currency exchange protocols (SWIFT & FEDWIRE) this occurred in an environment where China was selling off massive amounts of its US Government bond holdings putting pressure on America's ability to finance its debt. In response the Congress passed legislation guaranteeing the dollars solvency by buying back its debt, essentially printing money creating inflation concerns.

Both sides in the crisis were committed to staying the course, but there was dawning recognition on the U.S. side that the country was not going to consider the use of nuclear weapons, that the

goal was preventing the PRC's military invasion of Taiwan and also Taiwan declaration of independence, and therefore negotiations needed to create a path toward resolving the situation. Given that the PRC was committed to regaining control over Taiwan at all costs, short of the use of nuclear forces, the classic conundrum was arising whereby a side with unlimited objectives ultimately will prevail over a side with limited objectives.

Participant Conclusions and Recommendations

At this point, the wargame portion of the exercise came to a close and all players once again looked at the crisis from America's perspective. The key question asked was what policies and actions could the United States take before such a crisis that would increase advance our National Security interests?

The recommendations from the players fell into two major categories:

Military:

- Recognition that the PRC is a regional military power and that its Anti-Access/ Area Denial strategy can impose limits on the U.S. ability to impose a distant blockade of the PRC to disrupt its economic interests.
- Taiwan should be viewed as an unsinkable aircraft carrier that needed significant defensive upgrades with additional capability that could deter PRC aggressive actions.
 - The pillars of these upgrades should focus on a credible Taiwan missile threat to counter PRC advantage in regional missile inventories and range.
 - Greater emphasis should be given to drones and mines and less around high ticket prestige systems.
 - Taiwan's conscription duration (one year) sends the wrong signal to the PRC.
- Do less FONOPS and do more joint allied operations— like mine clearing – in the area, including to improve military readiness.
- Extended deterrence guarantee - Ensure we have enough forces to deter and respond promptly.
- Selectively reveal certain U.S. capabilities to create doubt in PRC calculations.

Diplomacy and Economic Policy

- We need to change the current “don't rock the boat” paradigm.
 - China has paid no penalty for ignoring World Court South China Sea ruling that they have disregarded and for which they have paid no noticeable penalty.

- China has paid no penalty for their initial hiding and not blocking the early global spread of COVID-19.
- China's dismemberment of their promises to Hong Kong of "one country, two systems" has been without penalty.
- As hope is not a method why should China not continue their declared agenda to re-establish control of Taiwan and other disputed islands controlled by other nations aligned with the United States?
- The U.S. should explore the recent United Kingdom – D10 proposal which is a proposed coalition of democratic countries to establish common policies to reduce their dependence on China and its ability to use economic power for territorial gain.
- Cause the PRC to look in not out – Tibet & Xinjiang – although it was recognized that the PRC has significantly bolstered its control over these areas to reduce their vulnerability in these areas.
- Pursue a more detailed analysis of key stakeholders' desired ends states, war termination options and issues related to conflict resolution, as well as economic deference options.
- The U.S. needs to revitalize its efforts to dissuade Japan and South Korea from acquiring nuclear weapons. This needs to begin now, *before* any regional crises, such as an invasion of Taiwan, increases Japan and South Korea's interest in getting their own nuclear deterrents. Any U.S.-led nonproliferation effort should also address China's nuclear materials and weapons build-up.
- Establish a formal political and military alliance structure in the region to balance the PRC regional power.

In summary, the current trajectory of PRC aggressive regional policies and tepid global responses has lowered U.S. security interests and deference in the region. This in turn increases the probability that at some point the PRC will continue with its declared policies for absorbing Taiwan and other disputed territories in the region. The next milestone is to re-establish their control over Taiwan and its populace. If the U.S. and its regional allies do not change the PRC calculus or find a method of effective pre-crisis and crisis engagement in the near term, a scenario like the one played out in this wargame becomes more probable.