

## Event Summary

### Asian Science & Technology Forum

## *The New Dynamics of US-Japan Armaments Cooperation*

### (Seminar Session XVIII)

October 4, 2006  
Crystal City, Virginia

A new security dynamic is emerging in Japan. Starting with the Junichiro Koizumi administration (2001-2006) and continuing through to the new Prime Minister Shinzo Abe (September 2006-), Japan has moved closer to the United States in both its security and foreign policies. Prime Minister Abe came into office vowing to change the Japanese constitution to acknowledge a Japanese military and to allow collective self-defense. Japan wants to position itself to be more engaged in world affairs, join the UN Security Council, and take more responsibility for its own security. To accomplish this, Japan wants to participate in UN peacekeeping operations and to strengthen the U.S.-Japan Security Alliance. Japan is looking to not just pay rent for U.S. troops stationed in Japan and the U.S. nuclear umbrella, but also to work and fight alongside the U.S. These new circumstances create opportunities for more information sharing and technology cooperation between Japan and the United States as the Japanese work out the parameters of what is currently feasible in their domestic political environment.

**Mr. Paul Giarra**, of Hicks & Associates, SAIC, focused on the critical aspects of any security-related negotiation with Japan. He emphasized that the U.S.-Japan “alliance” involves high stakes and by no means should be left on autopilot. This is especially true when taking into account the Northeast Asian [Japan, Korea, Taiwan, Russia] security environment. He urged that it is important to take a “1,000 foot view” and consider the overall political circumstances and strategic interests of Japan during negotiations, because, “as go these negotiations, so goes the U.S.-Japan alliance.”

In this context, Mr. Giarra listed “a dozen stipulations” for negotiating with Japan. Most important is that the negotiators must do their homework, be prepared, get their stories straight, and collaborate and communicate with other government agencies and industry, as difficult as that may be. At stake is not simply a technological collaboration but the broader assessment of Japan’s capabilities, and the external political-military environment. Success requires an “unnatural act” for government bureaucrats: collaboration between and synthesis of politics, policy, operations, strategy, intelligence, technology, and acquisition. This amounts to a very difficult bureaucratic integration challenge.

Audience members generally agreed with this view, but noted the difficulty of inter-agency communications and cooperation. There was some debate from the audience about past working relationships with the State Department, and one audience member described his experience as, “it’s like getting five lawyers in a room to all agree.” Mr. Giarra, however, responded that he “had no

sympathy for any inability to work with other agencies. If we can't get the 'five lawyers in a room to all agree,' we will have serious difficulties in negotiating effectively with the Japanese."

Mr. Giarra repeatedly urged potential negotiators to use "due diligence" to prepare. In working with the Japanese it is important not only to speak with one governmental voice, but also to know all the facts concerning the negotiation, because the Japanese do. It is essential to aim for U.S. government leadership alignment at the highest levels, which he defined as the Pentagon providing downward direction to the rest of the defense agencies. Negotiators need to know their objectives – what they want and what they can and cannot give away for it – before going into a meeting. If the American side is prepared and coordinated across agencies, Mr. Giarra said that the Japanese will be more responsive and cooperative.

A successful negotiation must be structured around a five-step process.

1. Assess who will be interested in sales and developmental cooperation: the Japanese and others, and what they want.
2. Decide what DoD needs/wants technically, financially, and politically from the Japanese and others. Don't limit the set of requirements to symmetric exchange.
3. Decide what we will not give away to Japan and others. Discriminate as necessary.
4. Assess what the Japanese and others can offer in assistance.
5. Determine the overlap between 1, 2, 3, and 4 to establish U.S. objectives and the negotiating space.

The negotiator must acknowledge that working on issues regarding Japan is a multi-player game internally and externally. Japan is not the only international actor involved, and the approach to Japan cannot be conceived or executed in isolation, such as excluding China. Thus, it is important to involve Japan and other allies from the earliest possible point in planning for R&D and acquisition cooperation. Other allies have an interest in many of the same acquisition programs, and therefore will be interested in outcomes involving Japan. Thus be sure to ask for what you want from Japan and other prospective international negotiating partners. While this sounds self-evident, it is not always done. Be sure to articulate both what you want and what you are not willing to give up.

Mr. Giarra claimed that this process is extremely simple yet seldom happens.

Mr. Giarra ended his presentation with a "History Lesson," drawing parallels between the failed negotiations at the Washington Naval Conference of 1921-22 and the present negotiating environment. At the time, Japan felt resentful of its treatment by the Great Powers after WWI believing it had earned a respected role as a naval power in Asia. Whereas the U.S. viewed the proceedings as a peace and disarmament agreement to inhibit Japanese naval expansion, the Japanese felt the conference was to obtain official recognition of their military might and of Japan's special interests in Manchuria and Mongolia. The lesson from this being that if the U.S. and Japan have unacknowledged different objectives, a successful "conclusion" of an agreement may simply be a prelude to greater misunderstanding.

**Mr. Jeffrey Bloom**, Country Program Director, Japan and the Americas, Office of the Under Secretary of Defense for Acquisition Technology and Logistics, discussed the role of armaments cooperation, defining it as an “interaction with friends and allies in technology to produce defense equipment, logistics and sustainment of equipment, and the industrial base to produce and maintain equipment.” He pointed out that recent political developments such as the *Roadmap for Realignment Implementation* agreed to at the 2+2 talks of the May 2006 U.S.-Japan Security Consultative Committee (<http://www.mofa.go.jp/region/n-america/us/security/scc/doc0605.html>) enable more and better armaments cooperation in the future. This is especially true of cooperative activity such as integrating equipment and military bases and opportunities in developing Japan’s missile defense system.

Japan has become more willing to discuss and implement plans to define roles and missions in the defense of itself. This will naturally lead to greater cooperation and equipment requirements. The process, however, remains relatively undefined and in transition. A current incentive for cooperation is ballistic missile defense (BMD) and all that goes with it. There is potential for increased Japanese industry support for U.S. defense equipment in Japan and around the world, creating a U.S.-Japan logistics forum. By permitting the transfer of BMD-related arms from Japan to the U.S. it can increase the use of shared bases to help facilitate the joint support of common equipment.

Several other specific programs offer opportunities for cooperation including the F-X, Unmanned Air Vehicles, replacement of P-3Cs, shipbuilding, and strategic/cooperative logistics. Fast lift capability is a common requirement driven by the relocation of the III Marine Expeditionary Force to Guam and the proposed use of training facilities in Guam by Japanese forces. The next generation sea based air and missile defense capability provides an opportunity for early cooperation on common technologies, systems, and sub-systems.

To improve the armaments dialogue with Japan, the U.S. needs to build upon the missile defense model for joint assessment of requirements. Thus specific program initiatives provide the venue and focus to discuss and identify requirements and potential responsibilities. It is unclear if the Japanese are ready to shift the dialogue to one based on capabilities, which implies a willingness to pursue greater interoperability and armaments development with the U.S.

Despite the acceleration of U.S.-Japan armaments cooperation, a number of important challenges remain. Japan’s defense industry is considered inadequate and insular. The Japanese government’s defense budget has been limited to one percent of GDP. With rising personnel and operational costs, funds for R&D are declining. Although there is talk of relaxing Japan’s three export control principles to allow Japanese companies to sell dual-use technologies to the U.S., its progress is unclear. Also an overall General Security of Military Information Agreement (GSOMIA) is in development, but has not yet been signed and implement.

For now, the success of U.S.-Japan armaments cooperation is tied to perceptions of East Asia’s fragile security environment. Missile defense has set a precedent for cooperative development but it remains to be seen how fast and how far Japan is willing to move beyond technology and “military research.” Americans should be aware that Japan is not yet a “normal” nation in regard to military cooperation.

**Mr. Giarra** took this opportunity to point out that Japan's goals are not the same as ours when it comes to armaments cooperation. The U.S. wants to build up the alliance, while the Japanese want to build up their own defense system. AAAS' Dr. Norman Neureiter, a veteran of S&T and security negotiations both in and out of government, encouraged developing social relationships, and urged negotiators to "drink with the Japanese, do a lot of talking, and understand their real goals and objectives." He also argued that since the State Department needs to come to DoD for regular assessments, that these contacts can be utilized to encourage DoD to coordinate policies. He noted that part of the blame for the lack of inter-agency cooperation lies with the National Security Council, which "has not played an effective coordinating role for the past five years" and is currently lacking in Japan experts. Mr. Giarra, however, argued that setting objectives and being able to implement them across the bureaucracy is more important than being a Japan expert. He sees the problem with being an expert: "If you learn through your 'understanding' of Japan that the Japanese can't do X, you'll never make them do X. Americans learn that the 'Japanese can't do X' and it becomes a stumbling block to effective negotiations." He said, "Times are changing, and if you cannot get past that 'no,' they better get out their wallets (Japan will end up paying more)."

In response to a question about Japanese industries not cooperating with U.S. industries, Mr. Bloom argued that both cooperation and competition can be a good thing. The DoD has an interest in accessing the best technology and the best value for equipment globally. Therefore the goal of a teaming arrangement between a U.S. and Japanese company is to bring the best technologies together and provide the best value to DoD.

One audience member pointed out that if the Japanese would sponsor more defense research it would lead to more cooperative programs, but this goal has not been accomplished in Japan. Mr. Giarra responded that one part of the reason for this failure is the Japanese "defense allergy," but one can work around that by negotiating at lower levels and rationalizing defense research in other ways, such as "disaster preparation." Ms. Kotler added that the new Abe government is committed to promoting innovation as a major economic development policy in Japan, and therefore "innovation" is another useful way to overcome the "defense allergy."

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