



**U.S.-Japan Relations:
The Alliance Transformed?**

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The last quarter of 2005 will be remembered as a historic moment for the U.S.-Japan alliance. In October, the Security Consultative Committee (the “SCC” is the meeting of secretaries/ministers of foreign affairs and defense, sometimes referred to as the “2+2”) ratified an interim report on the realignment of U.S. forces in Japan that could usher in a new era in relations between the two countries. If realized, the report will transform the alliance.

That’s a big “if.” This is only an “interim” report and the problems it “solves” have plagued the alliance for a decade. Seeing the agreement implemented will be difficult. Moreover, the weeks before the agreement was reached were marked by rancor and rhetoric that matched that of the dark days of Japan bashing. Petulance and posturing are a poor foundation for a “rejuvenated” alliance.

An ugly October

The quarter began with news that U.S. Defense Secretary Donald Rumsfeld would skip Japan on an Asia tour that included stops in China and South Korea. Although Pentagon officials denied any link between the hole in the itinerary and the failure of the two countries to agree on realignment issues, the Japanese press hyperventilated over the possibility. (Officially, the visit wasn’t canceled because it was never actually scheduled.) Media reports speculated that the failure to agree on the relocation of Futenma Air Station was creating strains in the alliance and they invoked the “Japan passing” of the Clinton years. That Rumsfeld was going to finally visit China only underscored Japanese unease. Reports of the “flyover” reportedly prompted a Japanese Cabinet meeting to break the stalemate.

By mid-month, the tide had apparently turned. There were reports of agreements in principle on components of the realignment process. The two governments were said to have concurred on the relocation of the U.S. Marine Corps III Marine Expeditionary Force (MEF) to Guam, on cutting the number of marines on Okinawa, and relocating some aircraft and some fighter exercises from Kadena Air Base to Japan Air Self Defense Force bases outside the prefecture.

Stalemate continued on the thorny issue of Futenma, however, and bilateral negotiations got testy. U.S. Deputy Under Secretary of Defense Richard Lawless played “bad cop,” fingering Japan as the obstacle to progress. “We can’t have an agreement on the major principles (of realigning U.S. forces) without resolving the Futenma issue,” he said. “We want you (Japan) to help us replace Futenma for the benefit of the alliance because the alliance needs this capability.” Bluntly he explained, “we are saying to the Japanese governments – you undertook this obligation in 1996 to replace Futenma, we’ve been waiting.” Delay “is not our fault.” He warned that the alliance risked being damaged by “interminable dialogue over parochial issues,” and called for a dramatic acceleration of the process “to make up for time lost to indecision, indifference, and procrastination.” Lawless told the *Financial Times* that the solution was simple: leadership in Japan. Failing to convince the Japanese people of the benefits of hosting U.S. bases meant that “the U.S.-Japan security relationship will not reach the point it needs to as an alliance.”

While Lawless carries weight, the most important factor in Japanese minds was the impending visit of U.S. President George W. Bush, scheduled for mid-November. Both sides wanted to showcase a healthy, vital alliance and that required an interim agreement.

A warrior retires

By the end of the month, it was becoming clear that Japan was ready to make hard decisions. On Oct. 27, the U.S. Navy announced that Tokyo had finally agreed to the basing of a nuclear-powered aircraft carrier in Japan. The *Kitty Hawk*, a diesel-powered carrier, currently based at Yokosuka (home of the U.S. Seventh Fleet) was commissioned in 1961, making it the oldest ship in active service; the U.S. Navy has wanted to replace it for some time. Unfortunately, new carriers are nuclear-powered and the Japanese public has staunchly opposed the stationing of a nuclear-powered warship on its territory – both because of objections over the war-fighting capability of the ship and its nuclear reactor and the fear of radiation leaks.

Announcing the decision, Chief Cabinet Secretary Hosoda Hiroyuki explained, “Japan believes that the continued presence of the U.S. Navy will contribute to safety and stability, in Japan, the Far East, and the world.” He assured residents that the U.S. said it would take “strict safety measures,” would not run the reactor while anchored in Japan, and would conduct no repairs of the reactor there. Locals were not mollified. Nonetheless, the new vessel, the *George Washington*, is expected to be stationed in 2008.

The SCC delivers

The *Kitty Hawk* decision was the first concrete indication that the Oct. 29 SCC meeting in Washington would be a success. It was. The SCC document confirms the guidelines for bilateral cooperation laid out at the last SCC meeting (Feb. 19, 2005; for details see “U.S.-Japan Relations: History Starts Here,” *Comparative Connections*, Vol. 7, No. 1, April 2005). The two sides are to step up cooperation across an entire spectrum of threats and national security concerns, and the report identifies “essential steps to strengthen posture” for cooperation. They include close and continuous policy and operational

coordination, bilateral contingency planning, information sharing and intelligence cooperation, improving interoperability, expanding training opportunities, shared use of facilities, and ballistic missile defense. Another potentially significant section of the new report has been less noted. It calls on U.S. forces and the SDF to strengthen cooperation with other partners to contribute to international security; that includes exercises with third partners, as well.

Media attention has focused on the details of force realignment laid out in the document. And – surprise, surprise – they confirm most of the earlier leaks. According to the report,

- Headquarters of U.S. Forces, Japan, will establish a bilateral and joint operations coordination center at Yokota Air Base.
- U.S. Army Japan command structure at Camp Zama will be modernized to a deployable, joint task force-capable operation headquarters element. A Ground SDF Central Readiness Force Command will be established at Camp Zama.
- Japan's Air Defense Command and relevant units will be co-located with the headquarters of 5th Air Force at Yokota.
- Measures to facilitate civilian aircraft, including reducing air space under U.S. control and co-location of civilian air traffic controllers at Yokota will be considered, as will transfer of the Kadena radar approach control to civil-military dual use.
- A site for deployment of a new *X-band* radar system will be studied and the U.S. will deploy active defense as needed. (This anticipates development of a missile defense system.)
- The Futenma replacement facility will remain in Okinawa, but will be relocated to Camp Schwab in northern Okinawa in shorelines areas and adjacent areas of Oura Bay. The reassignment of air units at Futenma is under review; *KC-130s* that were to be relocated to Iwakuni Air Station may now go to Maritime SDF Kanoya Base.
- The leak about moving the headquarters of III MEF to Guam was confirmed. The remaining units will be reduced to a Marine Expeditionary Brigade, resulting in the transfer of about 7,000 officers and enlisted personnel, and dependents, out of Okinawa. The Japanese government will pay for much of the move.
- Remaining marine units will be consolidated to reduce their footprint on Okinawa. In addition, the U.S. will try to implement shared use of Kadena Air Base, Camp Hansen, and other facilities on the island.
- The carrier jet and *E-2C* squadrons will be relocated from Atsugi Air Facility to Iwakuni Air Station.

According to Japan Defense Agency Director General Ohno Yoshinori, the SCC meeting heralds a fundamental shift in the alliance. While the alliance originally focused on the defense of Japan and had, in the last decade, encompassed “situations in the area surrounding Japan,” “we’re now talking about joint activities in various areas between Japan and the United States in order to improve the peace and security around the world.” Secretary of State Condoleezza Rice agreed: “a relationship that was once about the

defense of Japan or perhaps about the stability of the region, has truly become a global alliance.”

Secretary Rumsfeld echoed that sentiment, saying “it would be difficult to overemphasize the importance of today’s meetings and the progress that’s been made in the alliance.” Ohno called the consultations “a truly historic process for a transformation of the U.S.-Japan alliance” and “opening a new era.” In the press conference after the meeting, he qualified the extent of Japan’s new role, explaining that “we will engage in activities that will not involve the use of force or would not be conducted in conjunction with the use of force...”

The best of the best

The stage was thus set for a successful visit by President Bush to Japan. The Nov. 16 summit marked President Bush’s first visit to Japan in two years and featured a 90-minute meeting between him and Prime Minister Koizumi Junichiro, which was followed by a press conference and a speech in Kyoto. The summit covered the usual topics: the prime minister’s landslide election win in September, U.S. base realignment, reduction of the burden on Okinawa, reconstruction assistance to Iraq, China, North Korea, BSE (Bovine Spongiform Encephalitis), avian influenza, Myanmar, the upcoming world trade talks, Japan’s economic reforms, and UN reform.

In their press conference afterward, Koizumi highlighted the centrality of the alliance in Japan’s foreign policy, noting that “The stronger and closer Japan-U.S. relations are, the more likely we are able to forge better relations with countries around the world, starting with China, the Republic of Korea, and other Asian countries.” This comment engendered some controversy, as it linked the U.S. to Japan’s troubled relations with its neighbors. Outrageous though it may seem, the notion has taken root: in recent conferences in Asia, participants suggested that Washington has encouraged – or at least enabled – Tokyo to take a harder line in dealing with China. U.S. officials insist, however, that they urge Japan to smooth tensions in relations with its neighbors, although the close personal relationship between the president and the prime minister prevents any public criticism.

The highlight of Bush’s visit was the speech he gave in Kyoto. Recapping the themes of his second inauguration – democracy and freedom – it set the tone for his entire Asian tour. The address applauded the U.S.-Japan relationship and held up Japan to show what democracy and freedom can bring to a country. “Japan is a good example of how a free society can reflect a country’s unique culture and history – while guaranteeing the universal freedoms that are the foundation of all genuine democracies. By founding the new Japan on these universal principles of freedom, you have changed the face of Asia.... A free Japan has transformed the lives of its citizens.... A free Japan has transformed the lives of others in the region.... A free Japan is helping to transform the world.” Hard to beat that.

Beef: from agendas to menus

If one issue threatened to stick in the two leaders' throats, it was the continuing Japanese ban on imports of U.S. beef. In early October, a bipartisan group of U.S. senators sent U.S. Trade Representative Robert Portman a letter urging him to impose sanctions on Japan for the failure to resume beef imports. On Oct. 24, the Japanese Food Safety Commission's prion research group, which had been investigating the safety of U.S. beef, released a draft report saying the risk of getting beef with BSE, or mad cow disease, was extremely low as long as the proper safeguards were in place. A week later, the panel adopted the report, and on Dec. 8 the Food Safety Commission announced that it approved the lifting of the ban, which was officially lifted Dec. 12. By Dec 16 the first shipment of U.S. beef in nearly two years arrived in Japan. Beef producers anticipate that it will take three years for exports to reach their pre-ban level of 300,000 tons annually.

More good news

The U.S. and Japan continued their close cooperation and consultation on other security issues. The two countries remain in sync in dealing with North Korea and demanding its complete denuclearization. The issue was on the agenda of meetings and phone calls between Secretary Rice and Foreign Minister Aso Taro, and Christopher Hill, who heads the U.S. delegation to the Six-Party Talks, regularly consulted his Japanese counterparts in person and on the phone. Washington and Tokyo insist that the DPRK's demand for light-water reactors is contingent on Pyongyang first verifiably dismantling all its nuclear programs and coming into compliance with the Nuclear Nonproliferation Treaty and IAEA safeguards. They both separate bilateral concerns with the DPRK – the U.S. worries about counterfeiting U.S. currency while Tokyo is focused on the abduction of its citizens – from the Six-Party Talks that deal with nuclear questions.

This quarter, the two governments also moved forward on missile defense (MD). On Oct. 17, JDA Director General Ohno and Secretary Rumsfeld agreed to push bilateral research on MD to the development stage in fiscal year 2006. This announcement followed Japan's decision to procure additional *PAC-3* missiles to increase its arsenal to 32 by 2010. On Dec. 24, the Japanese Cabinet and the Security Council gave the go-ahead for development of the next generation missile interceptor for the MD system. Also, during the quarter Japan again extended its deployment of SDF forces to Iraq for another year and its Maritime SDF deployment in the Arabian Sea.

And yet...

Despite all these positive developments, "transformation of the alliance" remains a possibility, not a certainty. First, the difficulties that blocked implementation of the 1996 SACO (Special Action Committee on Okinawa) agreement – which first called for the relocation of Futenma – remain. Okinawa Gov. Inamine Keiichi opposes the plan to move Futenma and is lobbying Tokyo hard to reverse course and move the base out of Okinawa. Virtually every community that is affected by the report opposes it. Nukaga

Fukushiro, director general of the JDA after Koizumi shuffled his Cabinet, has met with the governors of eight prefectures and 38 mayors, town, and village heads, and concedes it is an uphill battle. During his December visit to the U.S., Foreign Minister Aso told Secretary Rumsfeld that local objections to the interim report were “very severe.” On Dec. 22, governors of 14 prefectures that host U.S. bases and facilities met and adopted a statement demanding that the government negotiate with the U.S. to reflect the wishes of local residents and groups in the final report, which is due in March.

The severity of the challenge doesn’t cut much weight in Washington. All Japanese media reports say the U.S. considers the “interim” report final in all but name. It is counting on Japan to deliver what has been agreed. That will take political support from the highest levels, and it is – from my perspective – difficult to see Prime Minister Koizumi spending his political capital on this question, given the other domestic political fights he faces. In an interview with the *Financial Times* last year, former JDA head Ishiba Shigeru said the prime minister “does not have a strong commitment to solving [the Okinawa bases] problem.” Moreover, recent history, including the bases and beef, shows that the U.S. has to get downright nasty to get Tokyo’s attention when dealing with tough issues. That is not a solid foundation for an alliance. Finally, though denied by the U.S., there is also justifiable concern about the departure of Japan hands from the administration – this quarter, NSC Senior Asia Director Michael Green returned to academia and assumed the Japan chair at CSIS in Washington DC. How will this new group respond to Japanese decision making? Will they be able to balance the inevitable complaints about U.S. heavy-handedness with sufficient “understanding” of Japan’s particularities?

The changes in the U.S. are matched by changes in the new Koizumi government. He shuffled his Cabinet after the September election landslide and many key portfolios are held by contenders to succeed the prime minister when (if) he steps down in September as promised. They are, for the most part, cut from the same cloth as Koizumi – a new breed of politician, more assertive of Japanese national interests and likely to follow his lead on key issues, including the controversial visits to Yasukuni Shrine.

While this new assertiveness is welcome in the U.S. – it facilitates the readjustment of the alliance and the shouldering of regional and global responsibilities by Japan that Washington has long sought – it could be trouble for the alliance if it increases tensions with Tokyo’s neighbors. If Japanese intransigence results in Tokyo’s marginalization in the region and if the U.S. is seen as contributing to the Japanese hard line – which, as noted, is suspected – then the alliance will suffer as neither development is in the U.S. national interest.

With the final report on realignment due in March, we will soon have some indication of just how historic this quarter’s developments truly are.

Chronology of U.S.-Japan Relations October-December, 2005¹

Oct. 4, 2005: Japan's Defense Agency (JDA) Defense Policy Bureau Director General Ofuru Kazuo visits U.S. and meets Deputy Under Secretary of Defense Richard Lawless to discuss the Futenma Air Station relocation.

Oct. 4, 2005: Japan's Cabinet officially extends legislation allowing the Self-Defense Forces (SDF) to continue its mission in the Arabian Sea as part of the war on terror.

Oct. 5, 2005: U.S. and Japanese navies practice a sub-hunting exercise near Okinawa. *SHAREM* will include about 12 ships, *P-3* aircraft, and submarines.

Oct. 5, 2005: U.S. Treasury Secretary John Snow hails Japan's economic reforms as an example for Europe.

Oct. 7, 2005: 21 bipartisan senators send a letter to USTR Robert Portman urging him to impose economic sanctions worth \$100 million a month on Japan for its ban on U.S. beef imports.

Oct. 9, 2005: JDA announces addition of 18 *PAC-3* surface-to-air guided missiles to increase current arsenal to 32 missiles by 2010.

Oct. 11, 2005: Treasury Secretary Snow praises PM Koizumi's reform efforts, including postal privatization.

Oct. 11, 2005: PM Koizumi's postal reform package approved 338 to 138 with the full support of the Liberal Democratic Party-led bloc, as well as ex-LDP members who voted against the bill in July.

Oct. 13, 2005: Senior Japanese and U.S. government officials fail to agree on Futenma Air Station relocation.

Oct. 14, 2005: Diet approves postal privatization bills.

Oct. 17, 2005: JDA Director General Ohno Yoshinori and Defense Secretary Rumsfeld agree to advance ongoing bilateral research on a missile defense system to the development stage in fiscal year 2006.

Oct. 17, 2005: PM Koizumi visits Yasukuni Shrine for the fifth time.

Oct. 18, 2005: U.S. and Japan agree that the U.S. Navy will transfer its carrier-based aircraft from a base near Tokyo to the Marine Corps Iwakuni Air Station in Yamaguchi Prefecture.

¹ Compiled by Claire Bai, 2005 Vasey Fellow, Pacific Forum CSIS.

Oct. 18, 2005: Federal Reserve Chairman Alan Greenspan and Japanese Finance Minister Sadakazu Tanigaki discuss the state of the U.S. and Japanese economies.

Oct. 20, 2005: Henry Hyde, chairman of the House International Relations Committee, protests Koizumi's Yasukuni Shrine visit to Japan's Ambassador to U.S. Kato Ryozo.

Oct. 22, 2005: Japanese government conveys concern about U.S.-India nuclear cooperation agreement, saying it could send a wrong message to North Korea and Iran.

Oct. 23, 2005: Japan and U.S. hold strategic dialogue at the sub-Cabinet level in Tokyo, and exchange views on Iraq reconstruction, the situation on the Korean Peninsula, the Japan-U.S. alliance, and the situation in the Asia Pacific region and how Japan and the U.S. should work together with other countries such as China, India, Russia, and ASEAN. The Japanese side also explained PM Koizumi's latest visit to Yasukuni Shrine.

Oct. 24, 2005: Japan's Food Safety Commission's prion research group releases draft report saying the risk of mad cow disease being found in North American beef is "extremely low" if import terms are met.

Oct. 24, 2005: Australia, Japan, and U.S. hold trilateral security talks in Tokyo to discuss Iraq, Afghanistan, and North Korea.

Oct. 25, 2005: Japan hands over to the U.S. two Japanese nationals charged with defrauding U.S. aid organizations of \$14,500 by falsely claiming they were victims of the Sept. 11, 2001 terrorist attacks.

Oct. 26, 2005: U.S. accepts Japan's proposal on a replacement facility for the relocation of the Futenma Air Station in Okinawa.

Oct. 26, 2005: PM Koizumi dismisses the idea that Tokyo will agree to resume imports of American beef in time for President Bush's trip to Japan next month.

Oct. 26, 2005: U.S. Commerce Department rules that super-alloy degassed chromium imported from Japan was dumped on the U.S. market.

Oct. 29, 2005: Tokyo and Washington reach agreements to finalize reshaping their bilateral alliance, including major troop redeployments, new construction, and increased jointness among U.S. and Japanese personnel.

Oct. 31, 2005: Okinawa Gov. Inamine Keiichi rejects plan to relocate the Futenma Air Station within Okinawa Prefecture. New Defense Agency Director General Nukaga Fukushima says he hopes to win over local communities on this matter.

Oct. 31, 2005: PM Koizumi launches new Cabinet and new LDP leadership. Deputy LDP Secretary General Abe Shinzo is appointed chief Cabinet secretary; Aso Taro is named foreign minister; Finance Minister Tanigaki Sadakazu retains his portfolio; and Nukaga Fukushiro is named Defense Agency director general.

Oct. 31, 2005: Yasuhiro Yoshikawa, head of a specialists panel of the Food Safety Commission, says his panel adopted a draft report recommending an end to Japan's two-year-old ban on U.S. and Canadian beef imports.

Oct. 31, 2005: U.S. and Japanese chief delegates to the Six-Party Talks meet in Tokyo in preparation for the fifth round of talks.

Nov. 3, 2005: FM Aso Taro phones Secretary Rice and they confirm that they would meet on the sidelines of the ministerial meeting of the APEC forum in mid-November in Busan. Rice also asks Aso to visit the U.S. as early as possible.

Nov. 3, 2005: Rear Adm. James Kelly, commander of U.S. Naval Forces in Japan, tells reporters about safety of the type of nuclear-powered aircraft carrier the U.S. plans to deploy in Japan.

Nov. 7, 2005: Okinawa Gov. Inamine meets with JDA chief Nukaga to discuss the Japan-U.S. agreement to relocate the Futenma Air Station within Okinawa.

Nov. 9, 2005: Fifth round of Six-Party Talks begin in Beijing.

Nov. 13, 2005: Madeleine Bordallo, Guam delegate to the U.S. House of Representatives, says Japan and the U.S. plan to begin moving U.S. Marines from Okinawa to Guam in 2008 and finish by 2012 and intend to start building facilities in Guam for the marines next year.

Nov. 15-16, 2005: President Bush visits Japan. He meets PM Koizumi at a summit in Kyoto and stresses the importance of the alliance for promoting freedom in Asia and pursuing global economic and security matters.

Nov. 16, 2005: FM Aso and Secretary Rice meet and agree to maintain close cooperation to resolve North Korea's nuclear ambitions and to continue discussions on UN Security Council reform during a meeting on the sidelines of ministerial talks of APEC.

Nov. 16-25, 2005: *ANNUALEX 2005*, a joint military exercise between the U.S. and Japanese navies is held. It consists of simulated wartime exercises with the *Kitty Hawk* aircraft carrier, two U.S. submarines, nine U.S. Navy ships and 49 ships from the Japan Maritime Self-Defense Force.

Nov. 18-19, 2005: APEC Economic Leaders' Meeting is held in Busan, South Korea.

Nov. 20, 2005: U.S. decides to base the *George Washington* nuclear-powered aircraft carrier at the Yokosuka naval facility, which will replace the *Kitty Hawk* and will be the first nuclear carrier based in Japan.

Nov. 24-25, 2005: FM Aso visits Okinawa to exchange views with Gov. Inamine, and visit the site where replacement facilities for Futenma Air Station will be constructed.

Dec. 1, 2005: U.S. Ambassador to Japan Thomas Schieffer urges Japan and China to improve their relationship to ensure regional stability.

Dec. 1, 2005: U.S. and Japan agree to hold joint disaster drills on Okinawa at least annually to better coordinate responses to accidents involving military aircraft outside the bases.

Dec. 2-4, 2005: FM Aso visits the U.S. for talks with Vice President Cheney, Secretary Rice, Secretary Rumsfeld, and National Security Advisor Stephen Hadley.

Dec. 7, 2005: USTR for Japan, Korea, and APEC Affairs, Wendy Cutler, announces that the U.S. submitted to Japan an extensive set of reform recommendations intended to further open the Japanese market to U.S. companies in key sectors.

Dec. 8, 2005: Japan's Food Safety Commission says it approved the easing of a two-year government ban on U.S. and Canadian beef, paving the way for imports to resume.

Dec. 8, 2005: PM Koizumi announces decision of the Cabinet to extend for one year SDF activities in Iraq.

Dec. 8, 2005: Department deputy spokesman Adam Ereli says U.S. welcomes Japan's decision to extend its deployment of troops to Iraq for another year.

Dec. 9, 2005: Japan and the U.S. reach basic agreement to shorten the period of a bilateral agreement on Japan's sharing the costs (*omoiyari yosan* or "sympathy budget") for stationing U.S. forces in Japan to every two years from the current five years.

Dec. 12, 2005: Japan conditionally lifts a two-year-old ban it had imposed on U.S. and Canadian beef because of mad cow disease.

Dec. 13, 2005: JDA Director General Nukaga meets Deputy Under Secretary Lawless, visiting Japan to discuss the planned realignment of U.S. forces in Japan.

Dec. 16, 2005: The first shipment of U.S. beef in nearly two years arrives in Japan after the easing of an import ban.

Dec. 19, 2005: Zenshoku Co. in Osaka adds U.S. beef to its Korean barbecue menu again, becoming the first restaurant to offer U.S. beef to consumers after Japan's resumption of imports from the U.S.

Dec. 21, 2005: Ambassador Schieffer expresses hope that the U.S. would win back Japanese consumers' trust in American beef.

Dec. 22, 2005: Tokyo Metropolitan Police Department arrests a 23-year-old female sailor stationed at Atsugi Naval Base on suspicion of being involved in a hit-and-run accident in Hachioji City. Three elementary-school-age boys are injured, but the woman is released under the Status of Forces Agreement, as she was on official duty at the time.

Dec. 24, 2005: Cabinet and the Security Council give official green light for Japan to proceed with joint development of a next-generation missile interceptor with the U.S.

Dec. 26, 2005: Kanagawa Gov. Shigefumi Matsuzawa calls on FM Aso to seek revision of the current plan to realign U.S. forces before its finalization.