VIDEO 2: PANELISTS' INTRODUCTION AND STATEMENTS

DR. BILL BROOKS: I would now like to turn over the discussion to Mike Mochizuki and a panel of experts to discuss the Okinawa issue in the context of the U.S./Japan Alliance.

DR. MIKE MOCHIZUKI: Thank you very much, Bill. I want to welcome Governor Nakaima again to Washington, D.C. It's great to have you here and to hear directly from you the perspectives about the U.S.-Japan Alliance and the base issue in Okinawa. Before I turn to the panel, let me just first ask all of you to check your cell phones to make sure that they are turned off, and secondly in terms of the translation device, the channel for listening to English is channel number 2, and the channel for listening in Japanese is channel number 10. On the panel it's a different number.

We've already done the introduction of Governor Nakaima. Let me introduce the other members of this distinguished panel. To my far left, only in position, is Dr. Michael O'Hanlon who is Senior Fellow of the 21st Century Defense Initiative and Director of Research for the Foreign Policy Program at the Brookings Institution.

And next to him is Dr. Patrick Cronin who is Senior Advisor – sorry, is Dr. Akio Takahara who is Professor of Contemporary Chinese Politics at the Graduate School of Law and Politics of the University of Tokyo.

And then Dr. Patrick Cronin, Senior Advisor and Senior Director of the Asia Pacific Security Program of the Center for New American Security.

And then next to Dr. Cronin is Dr. Narushige Michishita, Director of Security and International Studies Program at the National Graduate Institute for Policy Studies in Tokyo, Japan.

Now in the first part of this panel discussion I thought we would have a free-flowing discussion ranging from the base issue to the strategic environment in the Asia-Pacific Region and the implications that has for the U.S.-Japan Alliance, and also for Okinawa. And to get the conversation started I would like to turn to Governor Nakaima to give his current thinking about the Futenma relocation plan and the perspectives and feelings of the Okinawan people regarding the U.S./Japan Alliance and the bases and U.S. Military forces on Okinawa.

GOVERNOR NAKAIMA: Two questions have been raised. The first concerns the Futenma issue. The Futenma Marine air base is located in the middle of the city of Ginowan. The base has runway 2,800 meters long. Well over a decade ago the U.S. and Japanese governments determined that having the base in the middle of the city was too dangerous and decided to move it, but there's been absolutely no progress. The main reason is relocating the base somewhere else in Okinawa Prefecture would not amount to a solution, due to the excessive concentration of U.S. military bases in Okinawa. In addition, the proposed relocation site, the Henoko district in Nago City, has an extremely delicate natural environment. So moving the base there would cause environmental problems. That's where we are. In the 16 years since the decision was reached, there have been various campaigns opposing the move to Henoko. The mayor and the city council of Nago, along with the mayors of 41 other communities in Okinawa, also oppose it. So it would be very difficult for the relocation plan to move forward. That's where we are.

The Futenma base is right in the middle of the city. Osprey aircraft have recently begun taking off from there, which is very dangerous. Because of the noise and other problems, the continued

presence of the base is highly problematic, so it must be relocated as soon as possible. The relocation plan would require building a runway. So Henoko has to be equipped with a runway, there are any number of runway-equipped airfields on the Japanese mainland. Switching the relocation site to one of those places would be the quickest solution. This problem has been with us far too long, so the Okinawans feel very strongly that it should be resolved quickly. Relocating the base to the Japanese mainland would quickly resolve the issue. That's my contention.

The second question concerns the Japan-U.S. alliance. My own belief is that it is very important, but the 1.4 million Okinawans have a variety of opinions about it. Some are for it, some are against it, and some have other views. The views of people can't be categorized one way or the other. However, the belief that, at present, the Japan-U.S. alliance is highly important for the stability of the security in the Asia-Pacific region. Such belief is held by a great many people.

DR. MOCHIZUKI: Thank you very much, Governor. I'd like to ask the first question to Michael O'Hanlon. Michael, you've been a long-time observer of the U.S. force posture in the Asia Pacific Region, and you've also been analyzing the budget constraints on U.S. policy in the context of rebalancing to the Asia Pacific Region. Governor Nakaima has expressed his frustration that it has been over 16 years since the United States and Japan agreed to return Futenma and it seems that there has been very little progress. Do you think that there is an alternative that is possible that makes both good strategic sense as well as good fiscal sense?

DR. MICHAEL O'HANLON: Thank you, Mike, and good morning everyone. It's an honor to be part of this panel. I also wanted to extend my personal welcome to Governor Nakaima and his team from Okinawa. And they are wonderful hosts for all of us in Okinawa; I hope we can host them as kindly here in Washington. I wanted to say at a personal level Governor Nakaima and Okinawans are wonderful hosts of everyone from our Marines and our Air Force personnel to my little eight year old daughter who traveled with me to Okinawa along with Mike Mochizuki and myself this spring on a research trip. And the Governor was extremely gracious. And it's a very important long-standing partnership.

But we also know that we have some real dilemmas, and so Mike has asked me to briefly summarize how I think we can handle this dilemma. Because on the one hand, as we heard in the opening comments today as well, Okinawa is being asked to do a disproportionate share of the overall hosting of U.S. forces in the Asia Pacific, and that is a challenge and a serious burden on the people of Okinawa. On the other hand we know that the Obama administration and the United States and our troops in the United States are working very hard to try to maintain stability in the broader Asia Pacific working with allies, working also with other countries that are not necessarily allies, but trying to maintain an overall balance, or a re-balance that is conducive to preserving stability. And that requires a certain amount of capability.

And so, actually Mike Mochizuki and I together have tried to propose a plan that would preserve U.S. Military responsiveness for plausible crises as well as peacetime needs, but at the same time lower the burden on Okinawa. And if I could, I'm just going to tick through about seven points that this plan comprises. And so this is my direct answer to Mike. My view is that this would actually save the United States money because it would actually eliminate the need for building big Marine Corps facilities on Guam, and bring half the Marines from Okinawa back home to the United States – I should say the mainland United States or Hawaii rather than Guam. It may or may not save the Japanese Government money because there would be other construction costs besides

Henoko, but it should help with the commercial and human development of Okinawa in a way that you'll see in just a second.

So now to mention the aspects of this plan, first, as I said, Mike and I would propose that roughly half of the U.S. Marine Corps presence traditionally on Okinawa return to the United States, probably to California. The reason why this is, is actually fairly straightforward - is because the U.S. Marine Corps is now shrinking by 20,000 Marines in the aftermath of the relatively modest build ups that occurred over the last decade of war. And the Obama Administration's plan announced in February of this year for a less expensive military that we heard debated last night between the President and Governor Romney would envision reducing the strength of the U.S. Marine Corps by about 20,000. Now, it's true that is contingent on President Obama winning. If President Romney were to be in office in a few months we would no longer see the planned reduction in the Marine Corps necessarily, and therefore we might have to build more new barracks in California. But either way, this should not be more complicated or costly than building barracks and facilities on Guam. So we would bring half the Marines out of Okinawa, but we would bring them to California probably, or perhaps Hawaii rather than Guam. That's point number one.

Point number two, to preserve U.S. responsiveness in the Western Pacific Region and to compensate for this cutback in capability on Okinawa we would, together with the Japanese Government, have the United States purchase perhaps one or two large prepositioning ships of the type that are presently stationed at Guam, as well as Diego Garcia in the Indian Ocean, and that are often referred to as LMSR vessels, for those of you who study these things. Although other types of ferry ships could be considered. The idea is to have equipment for Marine Corps units, at least a battalion, perhaps up to a brigade, stationed permanently perhaps in Japanese waters so that if there were a crisis those ships could sail immediately to the location or the proximity of the crisis, and then the Marines from California could fly over to meet them. This is something we've been doing now in various parts of the world for about three decades; it works well; we know how to do it. It does have some costs because you have to buy the ship and you have to buy duplicate sets of equipment, but it appears from my calculations, especially if we keep this to one or two battalions alone, no more expensive than the Guam relocation plan together with Henoko.

Third, we would then change the airfield situation quite a bit. In keeping with Governor Nakaima's proposal, and as we understand it, the strong will of the Okinawan people, we would indeed encourage the United States Military to return Futenma back to the Japanese soon. We would also cancel the Henoko plan, not out of any strong inherent opposition, but out of recognition of what appears to be political reality in Japan. As partial compensation and to provide day-to-day Marine Corps helicopter capabilities on Okinawa we would propose building a modest helipad in the northern training areas or Camp Schwab, that would be a third piece.

Fourth, out of this airfield relocation concept we would have any remaining Marine Corps fixed-wing aircraft that still needed to operate on Okinawa use the Kadena Airfield, but to compensate for that and to make sure there was no excessive burden on the people of Okinawa in and around Kadena, we would do something that Senator Webb and other Americans and other Japanese scholars have discussed in the past, and that's perhaps relocate some of the Air Force aircraft from Kadena to other parts of Japan. And this may be an overlap with the Governor's suggestion; perhaps some of those planes could go to Kyushu and day-to-day operations and fly from there instead.

And then finally we would suggest building a second runway at the Naha International Airport, and the idea would be to use this runway for civilian and commercial purposes in peacetime, and this is the point I was alluding to earlier, that this plan could help with the economic and human development of Okinawa. But the Naha airfields would be available to U.S. and Japanese forces in the event of a crisis.

So in summary, this basically implies or involves moving half the U.S. Marines from Okinawa back to California; compensating by putting some equipment for Marines on pre-positioning ships and stationing them permanently in Japanese harbors where they'd be ready to sail. And then changing the airfield plan so that while Futenma is closed down, we do not replace this with an expensive off-shore facility, but instead replace this with a combination of a small helipad in the northern part of Okinawa; a reallocation of landing and takeoff slots at Kadena to allow for some Marine Corps usage, and then a development of a second runway at Naha International Airport for crisis and contingency operations for the militaries, but in the meantime day-to-day for the economic and human well-being of the Okinawan people and those who wish to visit the island.

That's the essence of the plan, again, I think it saves the United States a little bit of money; it saves the Japanese Government this political problem that it does not seem able to solve otherwise, and it provides additional runway capacity for the Okinawans on day-to-day terms for civilian and human and touristic and other kinds of activity. So we think its win, win, win. And that's the proposal that I'd like to put on the table today, Mike.

DR. MOCHIZUKI: Thanks very much, Michael. Next I want to turn to Patrick. One of the things that we often hear from our friends in the defense policy community is that since 1996 and probably until 2006 when the latest realignment plan was agreed to, that practically every conceivable option has been studied and evaluated, and then although the current relocation plan may not be perfect, given all the other possibilities, this is probably the one that optimizes the goal of reducing the Marines on Okinawa, as well as providing for the critical operational requirements of the U.S.-Japan Alliance. Do you agree with that assessment? Do you think the best way to move forward is to stick with the current plan and begin to implement it as soon as possible, or do you think there are other alternatives as Mike O'Hanlon suggests? And also, are there things that could be done immediately to reduce the burden that the citizens of Okinawa have to bear for the U.S. presence in their prefecture?

DR. PATRICK CRONIN: ell, Mike, thank you very much. What we just heard from Michael in representing both of your work is a problem-solving approach, a very intelligent problem-solving approach to a long-term problem. But in a conference on re-balancing the Asia in general, it's important just to step back for one minute and say, well, why we are trying to do problem solving. Well, we're trying to do problem solving because this is the most important alliance for security in the Asia Pacific, not just for Japan and the United States, but for the region, frankly, and it's played a pivotal role. And if you're looking at public safety from the ground, as the Governor must, it looks very different from the people in the Pentagon who have to protect the men and women who are putting their lives on the line, even in training operations, to try to make sure that we have a ready, capable force, hopefully that is increasingly integrated with the self-defense forces that can operate seamlessly for the range of contingencies that exist right now, including North Korea. I've just come back from Korea and Japan, and it is stunning to me that right now we do not have an agreement for intelligence sharing between Korea and Japan, which means what, it means the United States

Government cannot sit down with our Japanese allies and talk about operational plans that could happen and erupt this afternoon that will take bases in Japan to operate and to conduct. So I just want to make sure we understand the stakes here for national security before we start calibrating very finely this move and that move about how to do this.

The second point is it's easy for me on the outside of government right now to criticize – and I have – criticized some of the approaches that have been sought. But first I have to salute the countless number of people in both Japan and the United States at the prefecture level, at the national level, who have tried to examine solutions to the real problem that the Governor has outlined, that Futenma is in too crowded an area, and there is the Okinawa burden in general in terms of disproportionate share of the burden sharing for bases in Japan. And those are nagging alliance management issues that realignment has taken and really reduced significantly except for this big remaining problem, frankly.

And so that's why the problem solving that Mike (Dr. Mochizuki) and Mike (Dr. O'Hanlon) have tried to produce is very valuable. And that brings me to the Henoko question – "Is this the best plan?" Again, the best thing that you can say about the Henoko plan is that the two national governments have actually agreed on it. Anybody who had tried to negotiate anything in any alliance, but especially in the U.S.-Japan Alliance knows that that is not a rapid process; that is a painstaking, careful, long-term process. And when you have no continuity of government in many cases, and a change of personnel it takes even longer and you come in with new ideas. And that can be a setback as well. The natural problem with Henoko is that you have to ask "does it improve the operational capability over Futenma?" I'm not sure that it does at the moment, so as somebody would be interested in national security, before I move I'd want to make sure that you're going to improve the situation. Secondly, it's very costly. Thirdly, it has a permanent effect on the environment. This is not the best site environmentally that could have been found, I mean, this is a beautiful pristine area – that will have a cost on the environment. Fourthly, as you think about the future operational needs, there has to be a longer runway. You need bigger runways to make sure that you can conduct the full panoply of military operations, because we're talking about a crisis response; we're talking about contingency planning. We're not talking about the peacetime day-to-day operations of an airfield, and in this case there are things that can be done to reduce the burden that we can talk about. But Henoko – is this likely to be the solution? I don't think so. I think what has to happen though before we declare that it's dead or that it's definitely going forward, is after our election in particular – not because the politics matters, just because you need people who are going to be around for four years for sure, to sit down with the Japanese allies to make sure we're consulting at the prefecture level and to figure out all the pieces of the puzzle.

And what Mike (Dr. Mochizuki) and Mike (Dr. O'Hanlon) have done with their proposal is they have looked at other islands in Japan; they've considered the U.S. option, and all of those pieces are indeed part of this bigger panoply of what we have to think about, but we ultimately have to put it back in the strategic context. Will the United States and Japan be able to continue to put leverage and project power in the littoral seas that right now our power is being pushed back through anti-access and area denial, growing capabilities and military modernization, and a potentially changing Chinese strategy? And it may even change before then because of North Korea and what could happen if a conflict erupts. This could change the disposition of U.S. forces in the region and Japan's role in the region as well. So we're in a very fluid security environment. These bases matter – before

we do anything permanent, we'd better make sure we've got the right plan, and I'm not convinced that this is the right one.

DR. MOCHUZUKI: Thank you, Patrick. If I can ask a follow up question? You talked about the need to have more runways to deal with the possible contingencies that we might face. And the Governor is saying that it will just take too much time to build the Henoko facility. And he's saying that there are existing runways in Japan, there are self-defense force bases. Is it possible that some of these runways could be used, first in terms of military contingencies, but secondly in terms of training?

DR. CRONIN: The short answer is yes. We're releasing a report this week on Yokota civil military dual use, but the whole idea of Yokota dual use as a concept is that it could open up the possibility of agreements for contingency use of civilian airports. And so in September, last month, there was for the first time a military – a U.S. Military aircraft landing at Haneda Airport in Tokyo prefecture for the disaster relief contingency exercise. But that may be a very small beginning, but it shows you how there could be opening up the existing airfields around Japan in a way that could be much more constructive. Now there are constraints, obviously, on this. I'd advise you to read our report on Yokota this week; we try to go through a lot of the problems that the security planners will have to make sure there is continuity of operational control, tight operational control, and that you can actually increase capabilities. But strategically it makes sense to have access to more airfields; it gives you greater complexity for planning again. So it gives you greater resilience, the ability to avoid a single point of failure, which is a problem if you've only got one airfield and then something happens that airfield, what do you do. So it's very important to look at Naha, to look at other airports where they can be expanded throughout Japan.

And when you think about the training possibilities right now with the Osprey – and I'm maybe going to get into the Osprey – the Osprey is an aircraft, so unlike a helicopter where if you're flying a helicopter for five hours, you can't operate the next day, but if you're flying an airplane one day, you can fly it the next day. You could take this Osprey and you can go and do training missions weeks at a time elsewhere in Japan, which would significantly relieve the burden on Futenma, and it would be still good for training. But ultimately you've got to have your assets in a position that they're ready to go in an area where they can all operate together. So you can't disperse them endlessly too far. So there are constraints. But anyway, those are some ideas.

DR. MOCHIZUKI: Thanks a lot, Patrick. I hope we will have time to talk about the Osprey. But first I want to turn to Professor Michishita. Professor Michishita, you've been a very astute observer of the East Asian security environment and the implications that it has for the U.S.-Japan Alliance. I was wondering if you could give your perspective on how the recent developments in the region might affect the importance of the alliance, and also the role of the U.S. Marines on Okinawa.

DR. NARUSHIGE MICHISHITA: Thank you very much, Mike, for the kind introduction. Thank you very much, Governor Nakaima for kindly inviting me here. And thank you everybody for coming and joining us today. Today I would talk about how I make sense of what's going on in East Asia right now by comparing the current strategic environment with the one we had during the cold war. In order to do so I'll do three things, I'll talk first about the similarities between the cold war situation in Asia and the situation right now. And second I will talk about the differences between the cold war situation and what we have now today, the situation today in Asia. There is good news and bad news. And finally I will talk about future outlook.

First, similarities: In the 1970s the Soviet Union started to develop major or undertake a major military buildup, particularly in naval capabilities in the Far East. Now China is undertaking a major military buildup, particular naval capabilities, exemplified by the fact that its first aircraft carrier became operational in September. In the 1970s the Soviet Union tried to turn the sea of Okhotsk into a sanctuary, and in order to do so, drew two defense lines, one was called Sea Control Line, the other Sea Denial Line. Now China is trying to turn the South China Sea, the East China Sea and the Yellow Sea into a sanctuary, and in order to do so drawing two defense lines called the First Island Chain and the Second Island Chain. In the 1970s the Soviet Union deployed a large number of submarines, bombers, and surface ships including Sovremenny class destroyers in order to defend its own defense lines. Today China is deploying a large number of submarines, bombers, and surface ships including Sovremenny class destroyers in order to protect its own defense lines. The only difference is that in addition to this China is also developing anti-ship ballistic missiles. Finally in the 1970s the United States developed what was called the Maritime Strategy in order to cope with the rise of the Soviet Union in this region. Now the United States is developing what's called Air-Sea Battle to cope with the rise of China. There are differences between the cold war environment and the current strategic environment in nature.

There is good news. One good news is that during the cold war Kuril Islands constituted a barrier, a strategic barrier separating the Sea of Okhotsk and the Western Pacific. Now the same role is played by the southwestern island chain. The difference is that during the cold war the Soviet Union controlled the Kuril Islands, now we, Japan, control the southwestern islands.

And then for this reason Okinawa, which constitutes the part of the southwestern island chain, is very important. Soviet Union was a sophisticated military super power capable of conducting a global nuclear war. China – this is the second good news – Chinese military equipment is still inferior to those of the United States and Japan, and China is not capable of conducting strategic – I mean, doesn't have a comparable strategic nuclear capabilities as the Soviet Union did. Finally, the United States and the Soviet Union was in a serious confrontation which was called Cold War, but the United States and China are not in a cold war confrontation. We talk about A2AD, we talk about air-sea battle, but we are not talking about a cold war between the United States and China. There is good news and there is bad news unfortunately. During the Cold War the Soviet Union had three – only three exits to the Western Pacific: Soya Strait, Tsugaru Strait, and Tsushima Strait. But China has supposedly nine to eleven exits to the Western Pacific, and this makes it hard for us to blockade Chinese Naval activities in the region. Second, theaters of war have expanded. We were talking about air, sea and ground battles, but now we are talking about air, sea, ground battles as well as the cyberspace – battles in the cyberspace and outer space. We don't know who will benefit more from this, but it is – you know, we can say that it has made the situation and the nature of the competition more complex. During the Cold War – third point – during the Cold War the European Theater and the Asian Theater were coupled. During the Cold War the Europeans and Asians were competing with the Soviet Union together. But now Europe and Asia are de-coupled. The Europeans honestly don't care too much about the rise of China as a military power. Some of the European countries are willing – even willing to sell their arms to China. In the 1970s when the Soviet Union started to build up its military forces in Asia, fortunately the United States and the Soviet Union had already learned how to play the game. They had already learned lessons from the crisis in Europe and other places far away from Asia in the crisis in Berlin; in the crisis in Cuba; in the crisis during the Yom Kippur War. But now China – right now, is like the Soviet Union in the 1950s and 1960s, they don't know how to play the game. We don't know how to play the game with them.

We are now taking a step-by-step approach to learn and kind of come up with new rules of the game, but it will take time. In the meantime already we have seen a crisis such as EP3 incident near the Hainan Islands in which an EP3 crashed with Chinese fighter aircraft. Chinese fighter aircraft was dropped into – landed in the sea and EP3 made an emergency landing on the Hainan Island. And I think we will continue to see this kind of crisis situation in the future. Finally, and the most important difference between the Cold War situation and current situation is that Chinese economic performance is much better, which is good news in a way, but bad news in terms of competition that we are undertaking in the years to come. As a result, in the past decade Chinese military expenditure had increased by staggering 170 percent, whereas the Japanese defense expenditure has declined by 2.5 percent. The U.S. Military expenditure has increased by – in the same period by 59 percent, but, you know, it was only natural, it was fighting wars. But this level of defense expenditure will be certain to decline in the future.

Finally let me talk about briefly the future outlook. There is one important question that I always have and keep asking these days, which is what would be the nature of our future competition with China. I think there are two scenarios. One scenario is a low-end scenario in which we will keep seeing skirmishes with occasional clashes like we have seen in South China Sea and the Senkaku Island areas. In this scenario China will keep conducting guerilla warfare at sea, and we will cope with this with dynamic defense force concept, which is developed by the Japanese Government. And in this scenario, continued presence of forward-deployed U.S. as well as Japanese forces would be very important. On the other hand, there is a high-end scenario in which we will confront with China in a more conventional – in a high-intensity situation. And in this scenario air-sea battle concept as suggested by the U.S. Government might become more useful. And in this scenario it might be better for us to move some of the U.S. forward-deployed U.S. forces to the rear areas. And my gut feeling is that low-end scenario is likely and will prove to be more important, at least in the foreseeable future, which will in turn make the forward-deployed forces and the role of Okinawa remain important. Finally let me conclude by giving you one additional good news, which is we have the U.S.-Japan Alliance during the Cold War, and we have a U.S.-Japan Alliance today. Thank you very much.

DR. MOCHIZUKI: Thank you, Professor Michishita. I hope we can get into then the implications of this for the U.S. Military posture and base structure in the Asia Pacific region. Now I'd like to turn to Professor Takahara. Professor Takahara, you're one of the most respected scholars of contemporary China and Japan. Professor Michishita has already talked about the implications of the rise of China, but if I can ask you to zero in a little bit more specifically as well into the issue of the Senkakus. As we all know, this is – there's been a new round of tensions regarding this issue, and the Senkaku Islands are part of Okinawa Prefecture. So what implications do you think the recent tensions between China and Japan will have on Japanese and Okinawan attitudes towards the U.S. Military presence on Okinawa?

DR. AKIO TAKAHARA: Thanks, Mike. First of all, let me focus on the Okinawan attitude towards the Chinese and the Chinese Government in the recent tensions over the Senkaku Islands. You know, traditionally the Okinawan people have had a very close relationship with China and the Chinese. So historically in terms of economic exchange, cultural exchange and kinship. You know, I believe that Governor Nakaima's ancestors came over from China to Okinawa roughly 500 years ago, so traditionally there has been this sense of affinity with China and the Chinese amongst the Okinawan people. However, together with the other Japanese I must say that the recent violent

demonstrations against Japan and the Japanese in China, the arsoning of the factory of Panasonic, which is one of the earliest companies to make investments into China at a direct request by Deng Xiaoping to the founder, Konosuke Matsushita, to come and help China and the Chinese, is very shocking. And the looting of the super markets, the department stores; the beating of innocent Japanese in the cities of China, all these have shaken the sense of affinity that the Okinawan people have had towards China and the Chinese, I must say that.

And it addition to that, as you all know the Chinese Government has extended their countermeasures to the economic and the cultural realms, and this has brought about a direct damage to the Okinawan people's interests. You know for Okinawa tourism is a very important industry, and they have benefited a lot from the rapid increase in the tourists that come from mainland China and Taiwan. So I've learned from the Okinawan Government people that by the date of 26 of September already there had been a direct damage of roughly four hundred million Japanese yen on the tourist industry of Okinawa.

So I must say that the immediate response of the Japanese in general is that whatever measures or proposals for the base realignment or the relocation of the bases will be judged by the Japanese people by whether that is going to reinforce the capabilities of the alliance or not. Let me just say that at the outset.

DR. MOCHIZUKI: Thank you very much, Professor Takahara. I'd like to go back to the issue of the Osprey. Given some of the accidents in the development phase and some of the recent problems with the Osprey, understandably there is a lot of anxiety in Okinawa about the safety of the Osprey. But at the same time the Osprey has greater range and greater speed. And it can possibly open up new options in terms of U.S. operations and force deployments in Japan. So I was wondering if I could turn to Mike O'Hanlon to give his thoughts on the safety of the Osprey and the possible opportunities that the Osprey deployment provides.

DR. O'HANLON: Thank you, Mike. This is an important issue, and let me say that ultimately I want to emphasize one point, that I believe the Osprey has become a safe aircraft; however, this is not to in any way downplay the concerns of the Okinawan people because obviously the Futenma Airfield, as such, is no longer in a particularly desirable or safe place, vis-a-vis surrounding communities. And this is not to assign blame to the U.S. Marine Corps because, of course, what's happened is that Okinawa is – for those of you who haven't had the good fortune of being there – a small island, and very choice real estate. And so the cities have grown up around the airfields. And that happens in the United States as well, but obviously as we've done our base closures we've selectively closed a lot of the bases that wound up being near major urban areas. But in Japan that's not been the case. So I have some sympathy and I understand why the Okinawan people have seized on the deployment of the Osprey to reopen the issue of airfield safety.

So that's a position or a view I want to state that's partially understanding of the Okinawan view. But let me now also defend the Osprey, and I'm sorry if there's no simple take away from my intervention here, because I'm essentially acknowledging the legitimacy of several different points of view in this debate, but maybe that's a healthy basis from which to proceed. I asked the U.S. Marine Corps for safety data on how well the Osprey is flying, and we all know that there have been some spectacular and terrible and tragic crashes of the Osprey in its history, and they have typically gotten a lot of attention. There have been two this year. Also in this general area of Patuxent River there were some very tragic experiences about 15 years ago as the Osprey was in an earlier stage of

development. As I recall, two fatal crashes in the various kind of experimentation and training modes, especially as the Osprey made that transition from flying like an airplane to descending like a helicopter. And you could get into this *aerodynamic* problem of a vortex state that was not as well understood at the time, and the pilots had difficult time navigating. Well, the Marine Corps has learned – the Marine Corps takes very seriously the safety of anyone it places in those airplanes, as well as anyone nearby to the airfields that might be used by the Osprey. And the Marines have made the Osprey a safer plane. And the latest statistics are that for every 100,000 flight hours the Osprey has a crash rate in severe crashes of 1.94. 1.94 serious crashes for every 100,000 flight hours. That is less than the average for all Marine Corps aircraft. The average for all Marine Corps aircraft is 2.55 major incidents for every 100,000 flight hours. It's somewhat more, however, than the CH46 helicopter, and of course it could change and it could get worse. If there were another crash or two in the near future because the Osprey has not been flown that much, the statistics could quickly shift and it could start to look like a relatively dangerous plane. It would not take many crashes for that to be statistically at least what the data would indicate.

So in summary, and I'm sorry to give again different kind of data that point in different directions – in summary, however, the Osprey would appear to be a safe aircraft, but no airplane is perfectly safe and no airfield inside of a city is particularly optimally suited for operations – for flight operations. We still have some of those in the United States, but as I mentioned before, we've tended to try to reduce those kinds of airfields. We selectively prefer to keep our military bases away from populations when possible, and in terms of our civilian and commercial airfields we tend to try to put the biggest ones ten and twenty miles outside of major cities. So the basic principle here of continuing to operate the Futenma Airfield is not ideal, but that's not meant to criticize the Osprey, which does appear to be a safe aircraft relatively speaking.

DR. MOCHIZUKI: Thank you, Michael. I'd like to turn to Governor Nakaima again. You've heard some of the thoughts of our panelists about the military presence in Okinawa, alternative basing options, also about the rise of China and the implications that has for Japanese security interests in the U.S.-Japan Alliance. I was wondering if you could give us kind of your reactions to some of the points made by the panelists.

GOVERNOR NAKAIMA: Thank you. A variety of comments have been made, and I can't really put them in order. Dr. O'Hanlon talked about the Ospreys, 12 of which have been deployed in Okinawa since October 1. However, the Futenma base stands in the middle of a city, an area crowded with elementary schools, middle schools, and homes. Because the base is located in an urban residential area, naturally it's unreasonable to be operating Ospreys there. As governor, I've made this point to the Japanese government and the U.S. Embassy. Consequently, it's absolutely essential that the Futenma base be moved out of the middle of the city as soon as possible. Otherwise, incidents and accidents will occur that will create problems for the highly important Japan-U.S. and Okinawa-U.S. relationships. This is the reason the base absolutely must be relocated quickly, which is the main demand of the people of Okinawa. As to whether this aircraft is technically safe or not and whether all the technical problems have been overcome, the people of Okinawa still have a lot of questions about that. The public's concern certainly hasn't been dispelled. Last week the Japanese government announced that the Ospreys had been determined to be safe. If they're really safe, then let's have the Futenma air base moved to the mainland and have the Ospreys deployed all over Japan. That's our argument. Since the Osprey has such a long flight range and such high speed, then deploy them on the mainland, but not in Okinawa. We're now

demanding a review to make that happen. Yesterday when I visited the State Department the other day and also through the U.S. Embassy in Tokyo, we presented this demand to the State Department.

The topic of China has also come up, and there are many different opinions about this. With regard to the Senkaku Islands in particular, Okinawa's prefectural government basically agrees with the position taken by the Japanese government. The Senkakus lie within Okinawa Prefecture, but the territorial issue goes far beyond the scope of local government. Okinawans have longstanding historical and personal connections to China, but the issue of the Senkakus has to be addressed on a different level. We have connections to China that have been cultivated for a long time, including scholarly, cultural, artistic, and commercial connections. Without having any of them severed, Okinawa is now trying to sustain those connections.

DR. MOCHIZUKI: Thank you very much, Governor Nakaima. We're going to take a ten-minute break and return at 10:30. And then we will take questions from the floor and also continue the conversation on the panel. So we'll see you in ten minutes. Thank you.