U.S.-China Counterterrorism Cooperation: Issues for U.S. Policy

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Summary

After the terrorist attacks on September 11, 2001, the United States faced a challenge in enlisting the full support of the People’s Republic of China (PRC) in counterterrorism. This effort raised short-term policy issues about how to elicit cooperation and how to address China’s concerns about military action (Operation Enduring Freedom). Longer-term questions have concerned whether counterterrorism has strategically transformed bilateral relations and whether China’s support has been valuable and not obtained at the expense of other U.S. interests.

The extent of U.S.-China counterterrorism cooperation has been limited, but the tone and context of counterterrorism helped to stabilize — even if it did not transform — the bilateral relationship pursued by President George Bush. In September 2005, Deputy Secretary of State Robert Zoellick acknowledged that “China and the United States can do more together in the global fight against terrorism” after “a good start,” in his major policy speech calling China a “stakeholder” in his search for a deeper framework for the bilateral relationship.

Congress has oversight over the trend toward closer ties with China as well as a range of policy options. These options cover law-enforcement cooperation; designations of terrorist organizations; release of detained Uighurs from Guantanamo Bay prison; weapons nonproliferation; waivers of sanctions for the 1989 Tiananmen crackdown to export security equipment (e.g., for the 2008 Olympics in Beijing); the Container Security Initiative (CSI); military-to-military contacts; and China’s influence on Central Asia through the Shanghai Cooperation Organization (SCO).

On July 19, 2005, the House passed (by voice vote) Representative Tom Lantos’ amendment to H.R. 2601, the Foreign Relations Authorization Act for FYs 2006 and 2007, to express concerns that China and other SCO countries called for a deadline for U.S. counterterrorism deployments in Central Asia. The House passed H.R. 2601 (by 351-78) on July 20, 2005, and it was placed on the Senate’s calendar two days later.

This report will be updated as warranted.
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Aftermath of the 9/11 Attacks

China has seen itself as a victim of terrorist attacks in the 1990s, thought to be committed by some Muslim extremists (ethnic Uighur separatists) in the northwestern Xinjiang region. Some Uighur activists reportedly received training in Afghanistan. China’s concerns appeared to place it in a position to support Washington and share intelligence after the attacks of September 11, 2001. In a message to President Bush on September 11, PRC ruler Jiang Zemin condemned the terrorist attacks and offered condolences. In a phone call with the President on September 12, Jiang reportedly promised to cooperate with the United States to combat terrorism. At the U.N. Security Council (UNSC) on the same day, the PRC (a permanent member) voted with the others for Resolution 1368 (to combat terrorism). On September 20, Beijing said that it offered “unconditional support” in fighting terrorism. On September 20-21, visiting Foreign Minister Tang Jiaxuan promised cooperation, and Secretary of State Colin Powell indicated that discussions covered intelligence-sharing but not military cooperation. PRC counterterrorism experts attended a “productive” initial meeting on September 25, 2001, in Washington, D.C. On September 28, 2001, China voted with all others in the UNSC for Resolution 1373, reaffirming the need to combat terrorism.

PRC promises of support for the U.S. fight against terrorism, however, were qualified by other initial statements expressing concerns about U.S. military action. China also favored exercising its decision-making authority at the UNSC, where it has veto power. Initial commentary in official PRC media faulted U.S. intelligence and U.S. defense and foreign policies (including that on missile defense) for the attacks. On September 18, 2001, in a phone call with British Prime Minister Tony Blair, China reported Jiang as saying that war against terrorism required conclusive evidence, specific targets to avoid hurting innocent people, compliance with the U.N. Charter, and a role for the Security Council. Also, observers were appalled at the reported gleeful anti-U.S. reactions in the PRC’s online chat rooms after the attacks.

In Tokyo, on January 21, 2002, at a conference on reconstruction aid to Afghanistan, China pledged $1 million, in addition to humanitarian goods worth $3.6 million. But three days later, Jiang promised to visiting Afghan interim leader Hamid Karzai additional reconstruction aid of $150 million spread over four to five years. Of this $150 million, China offered $47 million by 2003 and offered $15 million in 2004.

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1 See also CRS Report RL31213, *China’s Relations with Central Asian States and Problems with Terrorism*, by Dewardric McNeal and Kerry Dumbaugh.

In 2002, some news articles reported suspicions that China’s military, the People’s Liberation Army (PLA), supported the Taliban and Al Qaeda in Afghanistan and sold anti-aircraft missiles and other weapons to Al Qaeda. However, Defense Secretary Donald Rumsfeld told reporters in August 2002, that Afghanistan is “filled with weapons” and that “you do find things from China, but you find them from country after country.” He added, “a lot of it is quite old and probably not stable.”

Policy Analysis

The extent of U.S.-China counterterrorism cooperation has been limited, but the tone and context of counterterrorism helped to stabilize — even if it did not transform — the bilateral relationship pursued by President Bush. In the short-term, U.S. security policy toward Beijing sought counterterrorism cooperation, shifting from issues about weapons proliferation and military maritime safety (in the wake of the EP-3/F-8 aircraft collision crisis of April 2001). Given the mixed state of bilateral ties after the collision crisis, Beijing’s diplomatic support met much of initial U.S. expectations. Testifying to Congress in February 2002, Secretary of State Colin Powell praised Beijing’s diplomatic support, saying “China has helped in the war against terrorism.”

Concerning other support, including any cooperation by the PLA, the commanders of the Central and Pacific Commands, Gen. Tommy Franks and Adm. Dennis Blair, separately confirmed in April 2002 that China did not provide military cooperation (nor was it requested) in Operation Enduring Freedom in Afghanistan (e.g., basing, staging, or overflight) and that its shared intelligence was not specific enough, particularly as compared to cooperation from the Philippines, Singapore, and Malaysia. The Pentagon’s June 2002 report on foreign contributions in the counterterrorism war did not include China among the 50 countries in the coalition.

In December 2002, Assistant Secretary of State James Kelly confirmed intelligence-

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4 Department of Defense, news briefing, Secretary Rumsfeld and General Myers, August 9, 2002.


8 Department of Defense, “Fact Sheet: International Contributions to the War Against Terrorism,” June 14, 2002.
sharing, saying “we are sharing [counterterrorism] information to an unprecedented extent but making judgments independently.”9

China’s long-standing relationship with nuclear-armed Pakistan was an important factor in considering the significance of Beijing’s support, especially with concerns about the viability of Pakistani President Pervez Musharraf’s government. Some said that Pakistan’s cooperation with the United States must come with PRC acquiescence, pointing to a PRC envoy’s meeting with Musharraf on September 18, 2001. However, on September 13, 2001, Musharraf had agreed to fight with the United States against bin Laden.10 The PRC has reportedly provided Pakistan with nuclear and missile technology. China could provide intelligence about Pakistan’s nuclear weapons and any suspected technology transfers out of Pakistan to countries like North Korea, Iran, and Libya.

In the long term, counterterrorism could hold strategic implications for the U.S.-PRC relationship. It has remained debatable as to whether such cooperation has fundamentally transformed the bilateral relationship. Policymakers have watched to see whether Beijing’s leaders have used the opportunity to improve bilateral ties, especially on weapons nonproliferation issues. In his State of the Union speech on January 29, 2002, President Bush expressed his expectation that “in this moment of opportunity, a common danger is erasing old rivalries. America is working with Russia and China and India, in ways we have never before, to achieve peace and prosperity.” Nonetheless, Director of Central Intelligence George Tenet testified to Congress in February 2002, that the 9/11 attacks did not change “the fundamentals” of China’s approach to us.11

The PRC’s concerns about domestic terrorism, U.S.-PRC relations, China’s international standing in a world dominated by U.S. power (particularly after the terrorist attacks), and its image as a responsible leader helped explain China’s supportive stance. However, Beijing also worried about U.S. military action near China, U.S.-led alliances, Japan’s active role in the war (as quickly promised by Prime Minister Junichiro Koizumi), greater U.S. (and Russian) influence in Central and South Asia at PRC expense, and U.S. support for Taiwan — all exacerbating long-standing fears of “encirclement.”

China issued a Defense White Paper in December 2002.12 It said that major powers remained in competition but that since the September 2001 attacks against the United States, countries have increased cooperation. Although this paper

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contained veiled criticisms of the United States for its military buildup, stronger alliances in Asia, and increased arms sales to and enhanced military ties with Taiwan, it did not criticize the United States by name as in the Defense White Paper of 2000. However, the Defense White Paper of December 2004 again criticized the United States by name.13

Options and Implications for U.S. Policy

**Summits and Strategic Ties.** The counterterrorism campaign helped to stabilize U.S.-PRC relations up to the highest level, which faced tensions early in the Bush Administration in April 2001 with the EP-3 aircraft collision crisis and U.S. approvals of arms sales to Taiwan. According to the Final Report of the 9/11 Commission issued in July 2004, President Bush chaired a National Security Council meeting on the night of September 11, 2001, in which he contended that the attacks provided a “great opportunity” to engage Russia and China. President Bush traveled to Shanghai in October 2001 for his first meeting with then PRC President Jiang Zemin at the Leaders’ Meeting of the Asia Pacific Economic Cooperation (APEC) forum. Bush called the PRC an important partner in the global coalition against terrorists but also warned Jiang that the “war on terrorism must never be an excuse to persecute minorities.”14 On February 21-22, 2002, the President visited Beijing (a trip postponed in October), after Tokyo and Seoul. The President then hosted Jiang at Bush’s ranch in Crawford, TX, on October 25, 2002, and Bush said that the two countries were “allies” in fighting terrorism.15 By the fall of 2005, however, Deputy Secretary of State Robert Zoellick acknowledged that “China and the United States can do more together in the global fight against terrorism” after “a good start,” in his major policy speech calling China a “stakeholder” in a search for a deeper framework for the bilateral relationship.16

**FBI Office in Beijing.** On December 6, 2001, Francis Taylor, the State Department’s Coordinator for Counter-Terrorism, ended talks in Beijing that reciprocated the September 25 meeting in Washington, D.C. He announced that the PRC agreed to give “positive consideration” to a long-sought U.S. request for the FBI to set up a Legal Attaché office at the U.S. Embassy, that counterterrorism consultations would occur semi-annually, and that the two sides would set up a Financial Counter-Terrorism Working Group. He reported that Beijing’s cooperation has entailed coordination at the U.N., intelligence-sharing, law enforcement liaison, and monitoring of financial networks.17 The PRC approved the FBI office in February 2002, and the first semi-annual meeting on terrorist financing was held at the Treasury Department in late May. The FBI attaché arrived at the U.S. Embassy

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**Designations as Terrorist Organizations.** Further questions concern the U.S. stance on the PRC’s policy toward Uighur people from Xinjiang and claims against what it calls “East Turkistan” terrorist organizations. Although Taylor confirmed that there are “people from western China that are involved in terrorist activities in Afghanistan,” he rejected the view that “all of the people of western China are indeed terrorists” and urged Beijing to deal politically with their “legitimate” social and economic challenges and not through counterterrorism means. Taylor also stated that the United States did not agree that “East Turkestan” forces are terrorists. He confirmed that the U.S. military captured PRC citizens from western China who were involved with Al Qaeda in Afghanistan.

Nonetheless, while in Beijing on August 26, 2002, Deputy Secretary of State Richard Armitage announced that, after months of bilateral discussions, he designated the East Turkistan Islamic Movement (ETIM) as a terrorist group that committed acts of violence against unarmed civilians. China had issued a report on January 21, 2002, saying that “East Turkistan” terrorist groups launched attacks with bin Laden’s support since the 1990s, and ETIM was one of the groups in the report. The U.S. Embassy in Beijing suggested that ETIM planned to attack the U.S. Embassy in Kyrgyzstan.\(^{18}\) The State Department designated ETIM as a terrorist organization under Executive Order 13224 (to freeze assets) but not as a Foreign Terrorist Organization (under the Immigration and Nationality Act). In December 2002, Assistant Secretary of State James Kelly defended the action taken against ETIM as a step based on U.S. evidence that ETIM has links to Al Qaeda and committed violence against civilians, “not as a concession to the PRC.”\(^{19}\)

**Detained Uighurs.** A related question pertains to the fate of Uighurs captured during U.S. fighting with Al Qaeda in Afghanistan, but whom are claimed by the PRC as its citizens for legal action in China and whom PRC authorities might have sought to interrogate. In May 2004, Amnesty International said that, in 2002, the United States allowed PRC officials to participate in interrogations and mistreatment of ethnic Uighurs held at the prison at Guantanamo Bay, Cuba. Then, in July 2004, Amnesty International urged the United States not to turn the 22 detained Uighurs over to China, where they would face torture and execution in China’s campaign to repress the Uighur people in the name of “counterterrorism.”\(^{20}\) Other options include sending them to a third country and resettling them in the United States.

Starting in late 2003, the Defense Department reportedly has determined without public announcement that 15 Uighurs at Guantanamo could be released, including five who were picked up because they were in the wrong place at the wrong time and

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10 who were considered low-risk detainees whose enemy was the PRC government. Seven others were determined to be “enemy combatants.”

By 2004, U.S. officials told reporters that Uighurs detained at Guantanamo Bay had no more intelligence value, but the United States could not find a third country to accept them, while ruling out their return to China. In August 2004, Secretary of State Colin Powell confirmed the dilemma, saying that “the Uighurs are not going back to China, but finding places for them is not a simple matter, but we are trying to find places for them.” The United States unsuccessfully approached at least 20 countries, including Germany, Switzerland, Sweden, Finland, Norway, Italy, France, Portugal, Austria, and Turkey, and the State Department reportedly considered sending the Uighurs back to China instead of allowing them be resettled in the United States.

On April 20, 2006, the Defense Department released a list of 558 people detained at Guantanamo, in response to a Freedom of Information lawsuit brought by the Associated Press. The list confirmed that there were 22 Uighurs with PRC citizenship being held. On May 5, the Pentagon announced the transfer from the Guantanamo Bay prison to Albania of five Uighurs, all of whom had been determined to be “no longer enemy combatants” during reviews in 2004-2005. The PRC then demanded that Albania hand over those Uighurs as “terrorists,” raising the question again of whether they should be resettled in the United States.

**Weapons Proliferation.** In his 2002 State of the Union speech, President Bush stressed the twin threats of terrorism and weapons proliferation, indicating a strong stance on proliferation issues with China. PRC entities have reportedly transferred missile and/or chemical weapons technology to countries that the State Department says support terrorism, like Iran, North Korea, and Libya. On numerous occasions, the Administration has imposed sanctions for weapons proliferation by PRC entities. China has not joined the Proliferation Security Initiative (PSI) announced by President Bush on May 31, 2003. In its Final Report issued on July 22, 2004, the 9/11 Commission urged officials to encourage China to join the PSI.

In November 2005, the National Nuclear Security Administration (NNSA) of the Department of Energy signed an agreement with the PRC government related to the U.S. Megaports Initiative. The agreement allowed the installation of special

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equipment at China’s ports to detect hidden shipments of nuclear and other radioactive materials.26

**Container Security Initiative (CSI).** The Bush Administration also sought China’s cooperation in the Container Security Initiative (CSI) of U.S. Customs and Border Protection. Launched in January 2002, CSI looked at PRC ports (Shanghai and Shenzhen) among the top 20 foreign ports proposed for U.S. screening of manifests and inspections of containers before U.S.-bound shipping. On July 29, 2003, China agreed to join CSI. Only after this U.S.-PRC agreement did the Bush Administration discuss an agreement with Taiwan to cover the last of the 20 ports: Kaohsiung (ranked fourth behind Hong Kong, Shanghai, and Singapore). The U.S. CSI team became operational in Shanghai in April 2005, and that CSI program underwent its first six-month review by late summer. That CSI program has been compared to the CSI experience with more cooperative and efficient customs authorities in Hong Kong, cooperation that became operational in 2002.27

**Post-Tiananmen Sanctions and Beijing Olympics.** Additional policy options have included selectively or permanently waiving sanctions imposed after the 1989 Tiananmen Crackdown (Section 902 of P.L. 101-246, the Foreign Relations Authorization Act for FYs 1990 and 1991), which deny exports of defense articles/services (including helicopters), crime control equipment, and satellites. President Bush issued a waiver of those sanctions on January 9, 2002 (to export a bomb containment and disposal unit for the Shanghai fire department to prevent terrorist bombings) and again on January 25, 2002 (to consider export licenses for equipment to clean up chemical weapons in China left by Japan in World War II). More presidential waivers might be considered for exports of equipment for security of the Olympics in Beijing in 2008, with concerns about internal suppression. Indeed, in May 2005, China held its first exhibition on counterterrorism equipment, and over 200 U.S. and other foreign companies displayed their “advanced” weaponry and equipment.28 The PRC government has a record of rounding up dissidents and other “undesirables” ahead of international events, including presidential summits.

**Military-to-Military Contacts.** While there has been no counterterrorism cooperation with the PLA, the Pentagon has cautiously resumed military-to-military contacts with China, limited after the 2001 EP-3 crisis and subject to review by Secretary Rumsfeld. For the first time under the Bush Administration, the Pentagon and the PLA again held Defense Consultative Talks (DCT) on December 9, 2002. There were visits by China’s Defense Minister, General Cao Gangchuan, in October 2003 and the Chairman of the Joint Chiefs of Staff, General Richard Myers, in January 2004. Secretary of Defense Rumsfeld visited China in October 2005, the first visit by a defense secretary since William Cohen’s visit in 2000 and long sought by the PLA for the resumption of a military relationship. Relevant legislation for

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27 Interviews with CSI teams in Shanghai and Hong Kong; CRS memo, “Congressional Staff Delegation’s Visit to China, Hong Kong (August 2005), Sept. 14, 2005, by Shirley Kan.

28 China’s official Xinhua news agency, May 10, 2005.

Some have urged caution in military cooperation with China on this front, while others see benefits for the relationship with China and the war on terrorism. Senator Bob Smith and Representative Dana Rohrabacher wrote Secretary Rumsfeld in late 2001, to express concerns about renewed military contacts with China. They argued that “China is not a good prospect for counter-terrorism cooperation,” because of concerns that China has practiced internal repression in the name of counterterrorism and has supplied technology to rogue regimes and state sponsors of terrorism.³⁰ In contrast, a 2004 report by Rand urged a program of security management with China that includes counterterrorism as one of three components.³¹

As preparations intensify for the summer Olympics in Beijing in 2008, an issue concerns the extent to which the United States, including the military, should support security at the games to protect U.S. citizens and should cooperate with the PLA and the paramilitary People’s Armed Police (PAP), given concerns about China’s internal repression. However, a precedent was set in 2004, when various U.S. departments, including the Department of Defense, provided security assistance for the Olympic games in Athens, Greece, in 2004. Such assistance included an anti-terrorism exercise held by the European Command in March 2004; exercise scenarios created by the Defense Threat Reduction Agency to defend against weapons of mass destruction; imagery collected by the National Geospatial-Intelligence Agency; and defensive barriers and facilities set up by deployed U.S. naval forces.³²

On June 22, 2006, at a hearing of the House Armed Services Committee, Brigadier General John Allen, the Principal Director for Asian and Pacific Affairs at the Office of the Secretary of Defense, told Congress that the Defense Department will begin discussions with China about security cooperation for the Olympics.

**Shanghai Cooperation Organization (SCO).** The Shanghai Cooperation Organization (SCO) issued a declaration on July 5, 2005, that called for a “deadline” for the counterterrorism coalition’s “temporary” use of facilities and military presence in SCO countries, because major military operations against terrorists ended in Afghanistan, they claimed. (The SCO was founded in Shanghai in June 2001 by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. China’s influence in the SCO increased after the 9/11 attacks raised attention to counterterrorism. U.S. armed forces were deployed at bases in Uzbekistan until 2005)

and maintains an airbase in Kyrgyzstan, raising China’s suspicions about U.S. military deployments in Central Asia and a perceived U.S. encirclement campaign.) PRC ruler Hu Jintao also argued that Central Asian countries can handle their own internal and regional affairs. General Richard Myers, Chairman of the Joint Chiefs of Staff, responded on July 14 that China and Russia were “trying to bully” the Central Asian countries. A week later, China’s official People’s Daily accused General Myers of showing “arrogance” and U.S. intentions to “permanently meddle” and be “strategically dominant” in Central Asia.

On July 19, 2005, the House passed (by voice vote) Representative Tom Lantos’ amendment to the Foreign Relations Authorization Act for FYs 2006 and 2007 (H.R. 2601). The language expressed the congressional concern that the SCO’s declaration called for a deadline for deployments in Central Asia and called on the President and Secretaries of Defense and State to open a dialogue with SCO countries about the use of bases there. The House passed H.R. 2601 (by 351-78) on July 20, 2005, and it was placed on the Senate’s calendar two days later.

China has worked to improve ties with Central Asian countries, including offering military assistance. The PRC hosted a summit of SCO members in Shanghai on June 15, 2006, that included Iran as an observer. The State Department expressed concerns about the inclusion of Iran, a state sponsor of terrorism, saying that inclusion runs “counter” to the goal of fighting terrorism.