

# China Reform Monitor No. 1523

October 7, 2022 Joshua Eisenman

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#### TAIWAN CREATING A BACKUP INTERNET SYSTEM IN CASE OF INVASION

Taiwan is building a backup satellite internet system so it can communicate with its people and the world if China were to take out its communications networks during an invasion. The 15 undersea cables connecting Taiwan's digital communications to the world and their three landing stations are considered strategic pressure points in China's invasion planning. To protect them, Taipei has launched a pilot project to outfit 700 locations in Taiwan with equipment to communicate via satellite internet connections. "As we've seen from the Ukrainian experience, real-time video conference is really important. That's what enables President Zelensky to speak to the world and for the entire world to know what's going on, so that rumors and disinformation would not spread," explains Taiwan's Minister of Digital Affairs, Audrey Tang. (*Globe and Mail*, September 26, 2022)

#### FORMER TEXAS A&M PROFESSOR PLEADS GUILTY

Former Texas A&M University professor Cheng Zhengdong pled guilty to violating NASA regulations and falsifying official documents at a federal hearing in Houston. Cheng, who maintained multiple undisclosed associations with China, hid those ties while accepting \$750,000 in grant money from NASA. He was sentenced to the time he served during his pretrial incarceration – about 13 months – and ordered to pay \$86,876 in restitution and a \$20,000 fine. Texas A&M hired Cheng in 2004 and fired him shortly after his arrest in 2020. He was originally charged with wire fraud, conspiracy, and false statements, but pled guilty to the new charges as part of a plea deal. (Associated Press, September 23, 2022)

[EDITOR'S NOTE: Cheng's conviction is part of the Justice Department's China Initiative, which started under the Trump administration and was ended in February after complaints that it chilled academic collaboration and contributed to anti-Chinese bias.]

### PLA AND RUSSIAN NAVAL SHIPS SPOTTED NEAR ALASKA

On September 19th, a U.S. Coast Guard ship on patrol in the Bering Sea spotted a PLA Navy guided missile cruiser, two other PLA Navy ships, and four Russian naval vessels, including a destroyer, in single formation about 86 miles north of Alaska's Kiska Island. The 418-foot Honolulu-based U.S patrol boat, the Kimball, observed the ships break formation and disperse. The sighting came a month after NATO Secretary General Jens Stoltenberg warned about China's interest in the Arctic and Russia's military buildup there. "Beijing and Moscow have pledged to intensify practical cooperation in the Arctic. This forms part of a deepening strategic partnership that challenges our values and interests," Stoltenberg said. (ABC News, September 26, 2022)

## CHINA'S NEW OIL PLATFORM IN THE EAST CHINA SEA ANGERS JAPAN

For the first time since 2015, China has installed a new oil production platform near the median line with Japan in the East China Sea. The new rig, which was built in June, is similar to the 12 existing permanent petroleum production platforms that China built in the area between 2013 and 2015. The new permanent platform suggests that China is increasing its oil and gas production from fields that straddle the median line between China and Japan. Tokyo maintains that such drilling drains oil and gas basins that straddle the line and should be shared by both countries. (Asia Maritime Transparency Initiative, September 29, 2022)

[EDITOR'S NOTE: According to Japanese law, the median line acts as a de facto boundary when there are unresolved, overlapping claims with another country. China claims a 200-nautical mile Exclusive Economic Zone in the East China Sea that reaches further toward Japan, but so far has restricted drilling operations to its side of the line. The two governments negotiated a joint development agreement in 2008, but never implemented it.]

#### AS COVID LOCKDOWNS CONTINUE, SO DO MACAU'S LOSSES

Gross gaming revenue in Macau has fallen 49.6% year-on-year amid China's ongoing COVID-19 lockdowns, to \$366 million. There is great uncertainly in the sector; as the city's gaming revenue is down 87% from pre-pandemic levels in 2019, and the permits of Macau's six casino operators will expire at the end of the year. Next month, China plans to resume issuing e-visas and permitting tour groups to visit Macau. (Bloomberg, October 1, 2022)