



USINDOPACOM Legal Vigilance Update

Issue #50, 10 October 2025

PREVAIL

Teammates,

Below please find the 50th edition of U.S. Indo-Pacific Command's (USINDOPACOM) Legal Vigilance Update (LVU). To access previous LVUs, please visit <https://www.pacom.mil/Contact/Directory/Jo/Jo6-Staff-Judge-Advocate/>.

Quote of the Week:

“Beijing’s pressure campaign against Taiwan is best understood as slow-motion coercion with the ever-present risk of a sudden break. On a near-daily basis, Chinese aircraft cross the Taiwan Strait median line, People’s Liberation Army Navy (PLAN) vessels encircle the island, and cyber probes test the resilience of Taiwan’s infrastructure. The cumulative effect of these actions is to redefine the status quo through persistent pressure and gradually exhaust Taipei’s defenses.”

Craig Singleton, Foundation for Defense of Democracies

Written Testimony for U.S. Senate Foreign Relations Committee, Subcommittee on East Asia
[Combatting People’s Republic of China’s Illegal, Coercive, Aggressive, and Deceptive Behavior in Indo-Pacific](#)

October 7, 2025

- **October 2025:** CSIS Futures Lab explores ***new, data-driven method to identify gray zone activity.***
 - **Bottom-line:** new report “examines how China may be using ostensibly civilian maritime assets as part of a coordinated campaign around Taiwan that combines coercion and intelligence operations to set operational conditions in the event of direct conflict,” and proposes a new data-driven approach to identify potential gray zone actors.

- **References:**
 - [Jose M. Macias III and Benjamin Jensen, *Signals in the Swarm: The Data Behind China’s Maritime Gray Zone Campaign Near Taiwan* \(CSIS, Oct. 2025\)](#)

- **Key Points:**
 - A new report from CSIS Futures Lab attempts to analyze the data behind China’s maritime gray zone campaign near Taiwan, proposing a new framework to help separate maritime gray zone activity from international trade/commerce.
 - The report notes that, ***“in the maritime domain, China has consistently used...unmarked or dual-use vessels operating in parallel with the PLAN to conduct surveillance, harass foreign***

Recent Chinese Military Exercise Areas Around Taiwan



UNCLASSIFIED

vessels, and reinforce territorial claims under the cover of commercial activity.”

- “Examples include using civilian ships to drop anchors and thereby sever undersea cables, deploying fishing fleets to overfish and damage maritime habitats, and leveraging dual-use infrastructure to project a coercive presence.”
 - The study proposes a data-driven classification framework for identifying suspicious vessel behavior by analyzing patterns of movement within known PLAN drill zones and commercial fishing hotspots, as well as AIS anomalies.
 - CSIS reports that his classification methodology “whittled down nearly 12,000 vessels traveling near Taiwan to an estimated 128–209 ships that fit into one (or both) of the two profiles and, thus, are likely engaged in gray zone activities.”
 - The report identifies four recommendations designed to operationalize its findings: “establishing a joint maritime anomaly cell; publishing and punishing a blacklist of repeat offenders; creating a Taiwan transparency dashboard; and commissioning an annual gray zone threat estimate and methods to close the collection gap.”
- 30 September 2025: China continues to enable Iran’s sanctions evasion strategy.
 - **Bottom-line:** new reports from The Wall Street Journal and Bloomberg expose ***two pillars of Iran’s sanctions evasion ecosystem: a covert oil-for-infrastructure payment network and a sophisticated barter system centered on Iran’s sanctioned auto and metal sectors – both of which fuel Tehran’s malign activities that threaten the United States and regional allies.***
 - References:
 - [Laurence Norman and James T. Areddy, *How China Secretly Pays Iran for Oil and Avoids U.S. Sanctions* \(Wall St. Journal, Oct. 5, 2025\)](#)
 - [Bloomberg, *China’s Cars for Iran’s Metals* \(Oct. 6, 2025\)](#)
 - Key Points:
 - The Wall Street Journal detailed a covert payment architecture that funnels billions from Beijing to Tehran for crude oil purchases, sidestepping the international banking system and fueling Iran’s malign activities.
 - According to the report:

“Iranian oil is shipped to China—Tehran’s biggest customer—and, in return, state-backed Chinese companies build infrastructure in Iran. Completing the loop, the officials say, are a Chinese state-owned insurer that calls itself the world’s largest export-credit agency and a Chinese financial entity that is so secretive that its name couldn’t be found on any public list of Chinese banks or financial firms. ***The arrangement, by sidestepping the international banking system, has provided a lifeline to Iran’s sanctions-squeezed economy. Up to \$8.4 billion in oil payments flowed through the funding conduit last year to finance Chinese work on large infrastructure projects in Iran, according to some of the officials.***”
 - China has been the predominant buyer of Iranian oil since 2018 — Iran exported \$43 billion of mainly crude oil last year, according to estimates by the U.S. Energy Information Administration, with officials estimating that around 90% of those exports go to China.
 - In a separate report, Bloomberg “revealed that major Chinese automakers and metals firms — particularly Chery Automobile Co. and Tongling Nonferrous Metals Group Holdings — operate a barter system with Iran to bypass traditional banking channels, with Chinese companies accepting shipments of Iranian copper and zinc.
 - With China as its top customer, Iran exported \$6.1 billion of industrial metals globally in 2023, including \$1.6 billion of copper and \$900 million of aluminum.

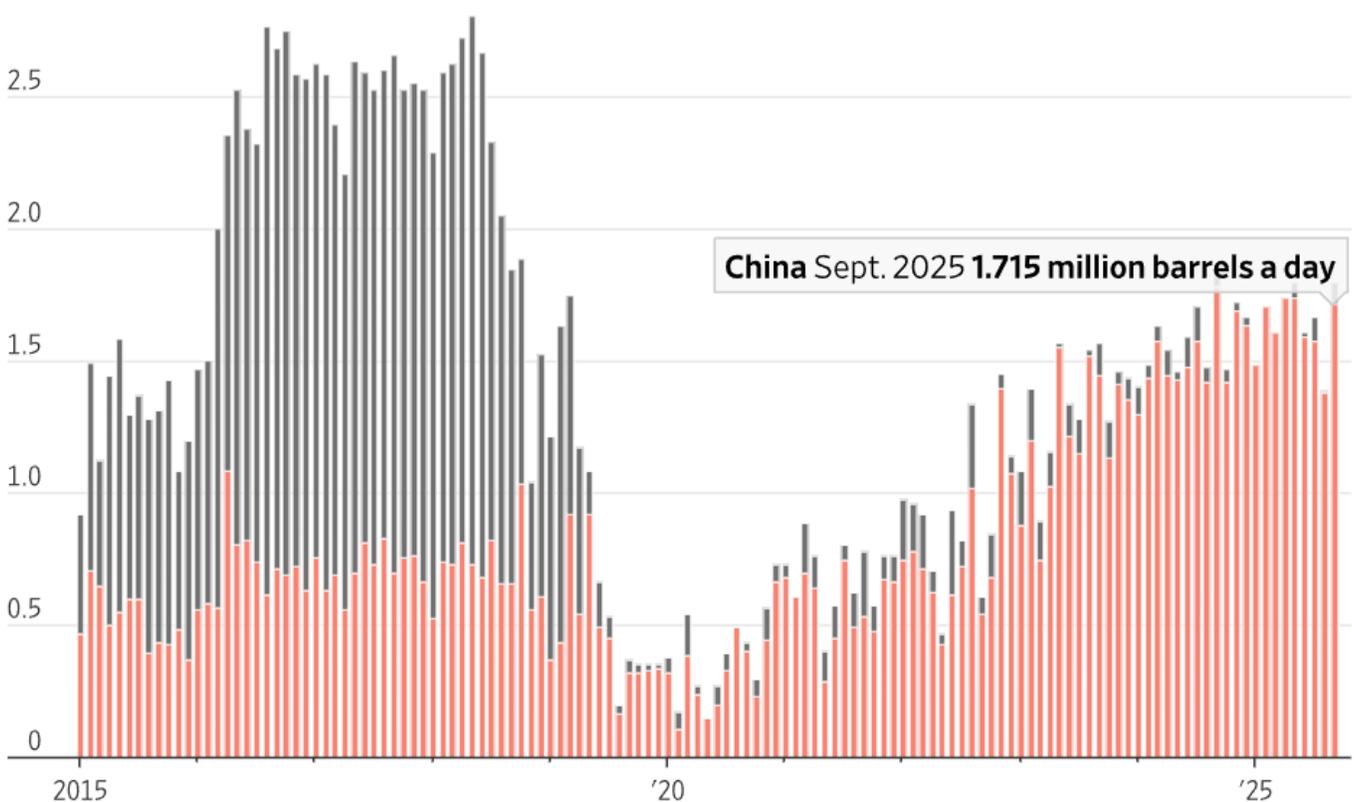
UNCLASSIFIED

- This week, [the U.S. Department of State](#) sanctioned approximately 40 individuals, entities, and vessels involved in the trade of Iranian energy products that generates hundreds of millions of dollars of revenue for the Iranian regime, while the [Department of the Treasury](#) announced sanctions on over 50 individuals, entities, and vessels involved in exporting Iranian petroleum and liquefied petroleum gas to global markets.
 - Included on the sanctions list are Shandong Jincheng Petrochemical Group (an independent teapot refinery in China that has purchased millions of barrels of Iranian oil since 2023) and Rizhao Shihua Crude Oil Terminal (an oil terminal in China that is said to have accepted more than a dozen of Iran's so-called shadow fleet vessels that evade the sanctions).

Iranian oil exports by destination

■ China ■ Others

3.0 million barrels a day



- 18 September 2025: bipartisan group of U.S. Senators introduce resolution condemning China's aggression in the South China Sea.
 - **Bottom-line:** a bipartisan group of U.S. Senators introduced Senate Resolution 409, reaffirming "the strong bilateral security alliance between [the United States and the Philippines] in the wake of escalating aggression and political lawfare by the People's Republic of China in the South China Sea."
 - References:
 - [U.S. Senate Resolution 409 \(119th Congress, introduced Sep. 18, 2025\)](#)
 - Key Points:

UNCLASSIFIED

- In reaffirming the ironclad alliance between the U.S. and the Philippines, the Resolution notes that ***“the People's Republic of China has employed a variety of assertive and aggressive tactics against the Philippines, including through its coast guard, research vessels, and commercial maritime vessels, to coerce and enforce its arbitrary and unlawful territorial claims in the South China Sea, such as by ramming, shadowing, blocking, encircling, firing water cannons at, and using military-grade lasers against Philippine civilian ships and military vessels.”***
- The Resolution chronicles China’s increasingly reckless and destabilizing behavior in the South China Sea, and “rejects the People’s Republic of China’s coercive and destabilizing plans to establish a so-called “national nature reserve” at Scarborough Reef.”
- The Resolution “reaffirms the commitment of the United States to the right to freedom of navigation and overflight, respecting maritime rights under international law, and ensuring a free and open Indo-Pacific.”