Sino-North Vietnamese air cooperation, begun after the Tonkin Gulf, became closer and was considerably improved during the period under review (February 1965 to February 1966). Using intelligence from NSA and DIA, INR reported on this cooperation which continued to develop despite the fact that the Russians took over supplying fighter planes and replaced Chinese training personnel by the spring of 1965. A number of developments suggested preparations for the possible use of Chinese fighters over North Vietnam as well as for the defense of Chinese territory. In the first place, in February and March, North Vietnamese air defense stations passed on information to their recipients on Chinese as well as their own aircraft markings. In China, construction began on four more air fields in South China and on Hainan Island, one of which—Tienyang—was well-located for possible operations over North Vietnam. Chinese fighter strength at other southern bases was augmented further in number and quality.

Late in the year, as US bombing increased in intensity and moved to targets closer to Communist China, Sino-North Vietnamese coordination was further expanded and improved.

At the same time, there were a series of flights by North Vietnamese planes to Chinese bases, and Peitun/Yunnan began to be used by the North Vietnamese for training and maintenance. During the same period, Chinese air patrols along the border were stepped up and, on December 24, 1965, the Chinese crossed into North Vietnam to shoot down a drone which had appeared on its way into China. This was the first such instance, but Hanoi took credit for the action. During the pause, Chinese fighters continued to pursue US recce flights which had been over China but, of greater concern, was the fact that Chinese fighters were detected on several occasions in January making practice penetrations of North Vietnamese air space at altitudes compatible with the CAP cover supporting strike missions. As US policy makers weighed choices for future actions in light of Hanoi's unresponsiveness to the pause, INR brought these developments to their attention, warning of possible Chinese intervention if the strike program was sharply escalated.

On the ground, in mid-June 1965, COMINT indicated that a Chinese army unit and its subordinates were operating in northeastern North Vietnam. INR watched this development closely, bringing NSA's analyses of new movements to the attention of Department officials concerned. The first—and for
many months the only—evidence that Chinese units were deploying to North Vietnam was based on CI. NSA analysts were able to tell that these elements:

In October, INR prepared a chronology of the build-up of Chinese engineering and logistical forces in North Vietnam. Subsequently, CI and C-INTE revealed that security, anti-aircraft, and radar units also moved into northern North Vietnam. In a memo of December 3, INR concluded that the "continued augmentation" of Chinese forces "provides an important token of Peking's readiness to assist North Vietnam, even if this entails placing sizeable [Chinese] military units in jeopardy of US air attacks."