

**Gray Hulls and Air Patrols:
The Role of Security Assistance in Washington's Pivot to Southeast Asia**

By Edward Linczer



CENTER FOR THE

NATIONAL
INTEREST

Published October 2016

“US spy plane buzzed by Chinese jets in ‘unsafe’ intercept.”¹ “China jams US drones.”² “Chinese submarine stalked US aircraft carrier.”³ These are the headlines documenting an intensifying strategic competition playing out between the US and China in the littorals of East Asia.

Over the past two decades, China has translated its economic dynamism into military strength and begun challenging the US-led order in Asia. In response, the United States has deepened its political, military, and economic engagement in the region. Within the framework of a “pivot” to Asia, the Obama administration has sought to augment its defense posture, while taking advantage of regional balancing against China’s assertiveness to draw a host of new Southeast Asian partners into the US security network. The 2012 Defense Strategic Guidance document stated that the US would “expand [its] networks of cooperation with emerging partners throughout the Asia-Pacific to ensure collective capability and capacity.”⁴

Specifically, the US is attempting to bolster its Southeast Asian partners’ ability to resist China’s maritime assertiveness by equipping them with coast guard and naval vessels, surveillance aircraft, radars, and a suite of higher-end military capabilities. Equally importantly, Washington seeks to train allied militaries on how to effectively operate and maintain their new capabilities.

The Obama administration has initiated a number of promising security assistance programs in Southeast Asia. Yet US security assistance to the Asia-Pacific lags far behind Washington’s outlays to Europe and the Middle East. In fact, only 1% of US Foreign Military Financing (FMF) is deployed in Asia annually.⁵ US security assistance in the Asia-Pacific remains woefully below the levels needed given the vital strategic interests at stake in the region.

As the next administration prepares to take charge in January 2017, it is time to reflect on how the US can continue to pursue its national security interests in Asia. This paper examines current US security assistance efforts in Southeast Asia and argues that the Obama administration has laid the groundwork for an improved US security network, but that US security assistance outlays in Southeast Asia remain incommensurate with heightened US interests in the region. The paper concludes with a series of recommendations for improving and expanding Washington's maritime capacity building arrangements in Southeast Asia.

Beijing's Bid for Regional Hegemony

Washington and Beijing are locked in a "struggle for mastery in Asia."⁶ As China's wealth and power has increased over the past two decades, its influence and ambitions in the Asia-Pacific have expanded accordingly. Beijing seeks to exert control over the Western Pacific by driving the US military out from Asia's first island chain, which stretches from the Strait of Malacca up to the Kamchatka Peninsula. China is simultaneously developing power projection forces to secure its overseas economic interests and sea lines of communication (SLOCs) from the Persian Gulf and Indian Ocean. Through its rapid military modernization, China intends to revise the Asia-Pacific's regional order.

US military campaigns during the 1990s shaped the PLA's regional security strategy. In the First Gulf War, the US military demonstrated its unmatched ability to control the commons, deploy massive force overseas, and launch missile and airstrikes at will. Five years later, when President Clinton dispatched two aircraft carrier groups off of Taiwan's coast during the 1996 Taiwan Strait Crisis, Beijing was confronted by its inability to challenge the United States' offshore military presence.

Unable to match the US in traditional power projection, China has instead developed a military strategy, relying heavily on asymmetric anti-access/area denial (A2/AD) capabilities, meant to exact a serious cost on US military forces attempting to project power into the first island chain or against the mainland.⁷ China's military buildup includes a precision-guided missile force, undersea warfare, integrated air defense, and advanced cyber capabilities. The PLA Air Force's increasingly modern aircraft provide China with additional range in striking US bases and carrier groups. The PLA has created contested zones in its "near seas" that allow it to threaten US logistical supply lines and bases in Japan, Korea, and Guam. Carrier strike groups, the iconic symbols of US power projection, would face salvos of Chinese ballistic and cruise missiles and submarines in the event of conflict.

Gone are the days of Beijing "hiding its strength and biding its time." Instead, China's development of high-end military strike capabilities has emboldened the Chinese Communist Party (CCP) to forcefully assert its interests against neighboring states. Under President Xi Jinping, PLA forces have acted assertively to control the littorals of Southeast Asia. In the South China Sea, a waterway through which over \$5 trillion in trade passes annually, China has ongoing territorial disputes with Vietnam, Taiwan, the Philippines, Malaysia, and Brunei. China uses a "nine-dash line" that encompasses 90% of the South China Sea to demarcate what it claims as its sovereign boundary. To defend these claims, Beijing has begun militarizing the South China Sea.

Over the past two years, Beijing has constructed over 3,000 acres of manmade military outposts equipped with airstrips, aircraft hangers, radar domes, satellite communication facilities, and surveillance towers to assert its claims in the Paracels and Spratlys.⁸ It has now begun

forward deploying missile batteries, drones, and fighter aircraft to its newly established bases in the Paracels, as well.

All the while, Chinese Coast Guard ships and maritime militias continue to harass foreign vessels in the South China Sea. China's maritime militias are directed by local PLA military commands and financed by provincial governments.⁹ These paramilitary units, often disguised as civilian fishermen, provide China with an asymmetric advantage because US rules of engagement limit the actions that US naval ships can take against civilian vessels.¹⁰ Chinese leaders can claim plausible deniability about the actions of individual ships and protest that Chinese citizens are being unjustly harmed in the event of a crisis. By operating in this "gray zone" beneath the level of force that would merit a US military response, China is able to make repeated tactical gains without provoking retaliation from the United States.

Recently, concerns have grown in Washington that Beijing may declare an air defense identification zone (ADIZ) in the South China Sea – the next step in its transformation of the world's most vital waterway into a Chinese lake.¹¹

Washington's "Pivot" to Asia

Beijing's military strategy poses a challenge to US interests in the Asia-Pacific.¹² Washington has long sought to mount a forward defense of American shores, prevent local conflicts, protect its allies and partners, and preserve freedom of navigation in Asia. The US defends these interests by maintaining a forward basing structure along Asia's "first island chain."¹³ Now, China's precision strike complex holds US forces in the Asia-Pacific theater at risk, while PLA and paramilitary forces actively attempt to prevent US military assets from operating in the South China Sea.¹⁴

Recognizing the challenge from Beijing, the US began shifting forces toward Asia in the mid-2000s. President Bush's foreign policy legacy is inextricably linked to the wars in Iraq and Afghanistan, but unknown to many, in 2004 the administration rolled out a plan to deploy additional military and diplomatic capital to the Asia-Pacific in order to dissuade China's bid for regional hegemony.¹⁵ In a recent interview, former Defense Secretary Donald Rumsfeld stated that the purpose of the strategy was to shift "our weight from Western Europe toward Asia and the Pacific."¹⁶ Notably, the Bush administration's strategy called for the Pentagon to move its newest assets to the Pacific.¹⁷ The 2004 Global Posture Review planned the eventual deployment of RQ-4 Global Hawk drones, B-2 bombers, and F-22 fighters to Guam, 60% of the attack submarine (SSN) fleet to the Pacific, and an additional carrier to the 3rd fleet.¹⁸ The administration made a deliberate decision to mute these strategic changes in order to avoid alarming Beijing.¹⁹

The Obama administration has continued and greatly expanded Washington's strategic reorientation to Asia. On a trip to Australia in 2011, President Obama rolled out the "pivot" or "rebalance" – an integrated diplomatic, security, and economic strategy to deepen Washington's engagement in the Asia-Pacific region. In her famous *Foreign Policy* article, "America's Pacific Century," Secretary of State Hillary Clinton wrote: "In a time of scarce resources, there's no question that we need to invest them wisely where they will yield the biggest returns, which is why the Asia-Pacific represents such a real 21st-century opportunity for us."²⁰

The Obama administration's Asia policy has heightened Washington's attention to Southeast Asia – a "rebalance within the rebalance."²¹ US strategy in Southeast Asia has traditionally been derivative of a higher-order national security interest: Japan during WWII and international communism during the Cold War. Now, the US and China are jockeying for the strategic upper

hand in the region. In the context of this intensifying great power competition, Washington recognized that the nations of Southeast Asia required a greater share of its attention. While the US has maintained a relatively institutionalized security framework in Northeast Asia through its alliances with the South Korea and Japan, the Obama administration has acknowledged that the United States lacked comparable strategic influence in Southeast Asia, a region with substantial economic potential, yet afflicted by rising maritime tensions.²²

In the five years since the Obama administration announced the pivot, it has implemented a number of important policy initiatives in Southeast Asia. Diplomatically, Washington signed the ASEAN Treaty of Amity and Cooperation in 2009, joined the annually held East Asian Summit, and reopened ties with Myanmar after decades of isolation. Economically, the US has successfully negotiated the Trans-Pacific Partnership (TPP), which, if ratified, would create the world's largest economic free trade area. The TPP includes four ASEAN countries, and others have expressed interest in eventually joining.²³

Militarily, the Pentagon expanded upon defense planning from the mid-2000s by boosting US capability in Asia's unique threat environment. In 2012, Defense Secretary Leon Panetta announced that the US would deploy 60% of its naval assets to the Pacific by 2020.²⁴ PACOM has also worked to disperse US basing, as China's precision strike regime will threaten large US bases in the event of a crisis. Washington has planned the deployment of 2,500 Marines to Darwin, Australia, and four Littoral Combat Ships (LCS) to Singapore on a rotational basis.²⁵ In January 2016, the Philippine Supreme Court ruled in favor of the Enhanced Defense Cooperation Agreement, a pact with the Philippines that allows US troops to deploy to a number of air, naval, and army bases throughout the Philippines on a rotational basis.

Additionally, the US has made strides in expanding security assistance for allies and partners in Asia. To fend off Chinese maritime coercion, Southeast Asian states badly need maritime domain awareness capabilities, coast guard and naval vessels, and coastal defenses, as well as additional training — all of which the United States can provide. The Pentagon's 2015 Asia-Pacific Maritime Security Strategy Report highlights security assistance as a key objective for the US. The administration has lifted arms export restrictions on Vietnam and negotiated the EDCA with the Philippines (as noted above). Additionally, the Senate Armed Services Committee, led by Senator John McCain (R-AZ), rolled out a five-year \$425 million Southeast Asia Maritime Security Initiative (MSI) to provide further training, infrastructure construction, and naval vessels for Southeast Asian partners.²⁶

However, despite the current administration's strategic prioritization of the Asia-Pacific, security assistance efforts in Southeast Asia are woefully insufficient given the region's growing maritime tensions and the vital strategic interests at stake. Currently, only 1% of US FMF funding is directed to the Asia-Pacific. Of the ten nations in Southeast Asia, only Laos, Myanmar, and Vietnam received greater amounts of US security assistance in 2015 than in 2010, before the pivot.²⁷ Overall, during that period of time, security assistance outlays to Southeast Asia fell by \$34.5 million.²⁸ With little sign of Chinese pressure abating in the South China Sea, there will be even greater need for Washington to expand maritime security assistance efforts over the coming years with its littoral Southeast Asian partners.

What is Security Assistance?

As a global military power, the US engages in security cooperation with allies and partners around the world to promote its national security interests. Security assistance, a subset

of US security cooperation, is a group of programs established by the Foreign Assistance Act of 1961 through which the United States “provides defense articles, military training, defense institution-building efforts, and other defense-related services by grant, loan, credit, cash sales, or lease, in furtherance of US policies and objectives.”²⁹ US security assistance is typically associated with arms transfer programs, but Washington also seeks to enhance partners’ defense “software” – the institutions, logistics, training, and sustainment capabilities that allow them to operate as effective military forces across the spectrum of operations.

Traditionally, the Department of State manages US security assistance efforts under Title 22 of the US Code, while the Department of Defense executes the programs through its Defense Security Cooperation Agency.³⁰ The State Department organizes and distributes security assistance on a country-by-country basis. The three primary Title 22 security assistance programs are Foreign Military Sales (FMS), Foreign Military Financing (FMF), and International Military Education and Training (IMET).³¹ These activities are managed on the ground by State Department security assistance officers who work under the US ambassador. These efforts are coordinated with military combatant commanders.

The *Foreign Military Sales (FMS)* program functions as the US government’s main vehicle to sell partner states weapons, equipment, and associated training. Hardware sales range from large weapons platforms such as Apache helicopters, tanks, and frigates to infantry equipment such as night vision goggles and boots. Under FMS, the US and a partner state agree to a government-to-government sale.³² The president must notify Congress 30 days in advance of an arms sale. In December 2015, for example, the US authorized a \$1.83 billion arms sale to Taiwan that included Perry class frigates, amphibious assault vehicles, as well as anti-aircraft and anti-ship missiles.³³

For a lower price, partner states can also acquire US arms via the *Excess Defense Articles* (EDA) program, through which the Pentagon gives away aging or retired hardware from US military stocks. Partner states pay for packing, handling, and transportation, as well as refurbishment of such materials.³⁴ The EDA program is an ongoing “garage sale” run by the Pentagon, which does not want to finance the storage or destruction of retired hardware.³⁵ In July 2016, the US Coast Guard transferred a decommissioned Hamilton-class cutter to the Philippine navy under the EDA program, the third such transfer to Manila during the Obama administration.³⁶

Through its *Foreign Military Financing (FMF)* program, the US offers partner governments grants and loans to purchase US equipment through either the FMS or EDA programs. In 2015, the US spent \$5.9 billion on FMF expenditures.³⁷ Currently, about 75% of FMF goes to Israel (\$3.1 billion) and Egypt (\$1.3 billion).³⁸ Both Pakistan and Jordan each receive over \$250 million annually.³⁹ Over 60 countries receive the remaining FMF funds.⁴⁰ In 2015, the Asia-Pacific received a total of \$106 million in FMF funding from the US.⁴¹ The *International Military Education and Training (IMET)* program provides grants to foreign military and civilian defense personnel to attend US professional military schools and training courses. IMET seeks to build the human capital and interoperability of those partners – an investment in relationships between future allied military leaders and their American peers. IMET trains about 8,000 international military officers from 125 countries per year.⁴² IMET candidates attend US war colleges, the National Defense University, and the Defense Language Institute. Foreign civilian defense personnel attend programs on defense resource management.⁴³ The DOD also maintains its own series of security assistance programs under Title 10 of the US code, which is outside of the State Department’s purview. Unlike the State Department’s

country-by-country distribution of funds, the Pentagon prefers to pool its assistance programs by threat or problem area (i.e.: a European Reassurance Initiative to deter Russia, Maritime Security Initiative to deter China, a Defense Institution Reform Initiative to shore up partners' defense bureaucracies, and multiple counterterrorism programs).⁴⁴ In the aftermath of 9/11, the Pentagon's security assistance authorities have grown rapidly, more than tripling between 2008 and 2015.⁴⁵ Title 10 now contains 123 separate, but often overlapping, governing authorities for security assistance programs.⁴⁶

While Title 22 security assistance is meant to build partner defense capacity over time and foster long-term political-diplomatic relationships, many new Title 10 authorities focus on providing military capacity quickly to address urgent threats. Generally, FMS programs take three to four years to be implemented, which is far too long when US partner governments face rapidly changing conditions such as the rise of ISIS in the Levant or the Taliban resurgence in Afghanistan. To expedite matters, the US utilizes a program called "global train and equip" under section 1206 of the National Defense Authorization Act (NDAA) to streamline US training, advising, equipping, exercising, and planning with foreign security forces facing terror groups.

Title 10 programs have not played a significant role in the Asian maritime context, as most applicable security assistance engagements fall within Title 22 authorities.⁴⁷ In 2015, Pentagon security assistance outlays to the Asia-Pacific barely topped \$13 million (The first year of MSI funding in 2016 raised DoD outlays to Asia to over \$65 million).⁴⁸ However, as I will discuss later, the US can better adapt Pentagon programs to quickly deploy necessary assistance to Southeast Asian states facing Chinese coercion.

Why Does Security Assistance Matter in Southeast Asia?

In 2016, the US will provide over \$17 billion in security assistance funds to its allies and partners around the globe.⁴⁹ In each geographical region, the US trains and arms partner states for different reasons. In Europe, the US bolsters its NATO allies to deter Russian aggression. In Africa, the US supports fragile states in order to prevent US-friendly governments from falling to coups, insurgencies, or terrorist groups, such as Al-Shabaab. Washington has long defended Israeli democracy in the Middle East to the tune of \$3 billion a year. Washington also arms Saudi Arabia, largely through FMS, to maintain a balance of power with its geopolitical rival, Iran. In Southeast Asia, Chinese maritime coercion directly challenges the free movement of US forces and the security of Washington's allies and partners in the region. The Philippines and China both claim sovereignty over the Spratlys islands in the South China Sea. Philippine fishing fleets and coast guard vessels face constant harassment from Chinese maritime militias. In April 2012, China seized the Scarborough Shoal from Manila, a feature only 100 nautical miles off the Philippine coast. Speculation has grown that China may dredge and construct a base on the shoal in the coming months.

To the southwest of the Philippines lies Indonesia, an archipelagic nation dependent on maritime access for its survival. Indonesia is the world's fourth-most populous state with over 250 million people spread out across six-thousand of its seventeen-thousand islands. While not a claimant to the Spratlys or Paracels, Indonesia still faces Chinese maritime pressure. Beijing recognizes Indonesia's sovereignty over the Natuna islands in the southernmost portion of the South China Sea, but Chinese fishing trawlers and militias frequently challenge Jakarta's rights to an EEZ around the islands because it overlaps with China's nine-dash line.⁵⁰ Under President Joko Widodo, Indonesia has turned away from its role as "regional peacemaker" and has instead

asserted its maritime rights, sinking dozens of illegal fishing vessels in its waters over the past year.⁵¹

Moving north along the western flank of the South China Sea, Vietnam, a historic rival to China, continues to face Beijing's maritime pressure. Vietnam, a claimant to both the Paracel and Spratly islands, has also reclaimed several features in the South China Sea (over 120 acres).⁵² In May 2014, China moved an oil rig 120 miles off the coast of Vietnam, well within Hanoi's EEZ, causing a standoff between coast guard and naval assets from each side, and the sinking of at least one Vietnamese fishing trawler.⁵³

By bolstering these partners' defense capabilities, the US will be able to count on a more resilient and capable security network to face China's revisionism. US partner capacity building efforts in Southeast Asia provide five overlapping strategic benefits for the United States.

Competitive Strategic Benefits

First, *“gray zone” cost imposition*. Maritime domain awareness capabilities will aid Washington's partners in tracking, responding to, and deterring Beijing's “gray zone” coercion. China's maritime strategy is predicated on maintaining a low profile to avoid international attention and stay below clearly expressed triggers for retaliatory action. China uses maritime patrol and fishing fleets to first probe for areas of weakness before exerting control over those waters. Often, these incursions face little resistance from neighboring states, which lack sufficient resources to better monitor and patrol their own maritime domains. For example, when Chinese coast guard vessels expelled Philippine ships from Scarborough Shoal in 2012, Manila was too weak to mount a response, forcing the Philippines to accept China's de facto control of

the islet. Because it received little or no pushback, China's low-level probes fell below the threshold of US conventional extended deterrence.

By responding to China's maritime probes, small nations compel Chinese forces to either escalate their actions or leave the area. Scholars Jakub Grygiel and A. Wess Mitchell argue that the role of local defenses is to force the aggressor to escalate its behavior, which heightens military, political, and reputational costs for Beijing.⁵⁴ An example of this phenomenon played out in May 2014, when China moved an oil rig 120 miles off of the coast of Vietnam. 30 Vietnamese vessels intervened against the rig, but were eventually forced to leave the area by over 80 Chinese ships.⁵⁵ Vietnam's response impelled Beijing to intensify its actions by securing its rig with fighter jets and additional ships, including PLA Navy (PLAN) vessels. To minimize international pressure and deescalate the situation, Beijing withdrew the rig a month ahead of schedule. While Vietnam certainly did not "win" in this encounter, its ability to respond forced Beijing to choose between continued escalation and withdrawal. By providing Southeast Asian partners with maritime patrol vessels, surveillance planes, and drones, the US can enable them to react to Chinese provocations.

For the foreseeable future, the PLA will hold a dominant military edge over its maritime neighbors – so far, China has deployed more naval combatants than Japan, Indonesia, Vietnam, the Philippines and Malaysia combined.⁵⁶ The US does not seek to create military parity between its partners and China, but rather to raise the costs of Chinese aggression. As Grygiel and Mitchell argue, "without local defenses, there is no credible response to low-intensity probing."⁵⁷ Chinese probing simply falls below the threshold of a US response, and often "Washington and allied capitals will want the option to retain US military forces for deterrence higher on the escalation ladder."⁵⁸

Second, *denial*. Beijing's maritime coercion strategy is insured by its escalation dominance over neighboring states. The PLA's precision strike regime holds Manila, Hanoi, and Jakarta at risk. By assisting partner states to invest in their own A2/AD capabilities, the US seeks to make it more difficult for Beijing to coerce or attack its neighbors, otherwise known as deterrence by denial. After all, "since the ultimate goal of revisionist powers is to achieve quick, easy grabs, this strategy seeks to make them prolonged and costly."⁵⁹

Alliance Building

Third, *burden sharing*. The US military, while by far the world's most dominant, faces an ends-means crunch owing to the Budget Control Act of 2011. Admiral Harry B. Harris, commander of US Pacific Command, testified before the US Congress in February 2016, stating "I don't have the submarines that I feel I need." Three years ago US Rear Admiral Thomas Moore declared that the United States has an "11-carrier Navy in a 15-carrier world."⁶⁰ These are just a few of the comments that high-ranking officials have made regarding US military capacity. With defense budget uncertainty ahead, the United States looks to its partners to shoulder a greater share of the burden in addressing regional security challenges, from humanitarian assistance/disaster relief (HADR) and anti-piracy missions at the low end of the capability spectrum, to substantive warfighting contributions in the event of a regional conflict.⁶¹

Fourth, *interoperability*. Military interoperability is necessary for the US to achieve its security objectives with partners in the region. Whether transferring relief to monsoon victims, sharing intelligence, or operating integrated ballistic missile defense systems, US military forces and their peers must cooperate at a tactical level daily. While interoperability is honed at regular joint military exercises where the US and partners develop shared military techniques, tactics, and

standard operating procedures, interoperability also requires common platforms and systems.⁶² One of the primary advantages of the F-35 program, in which 12 US partners participate, is sharing a global coalition of interoperable air fleets unlike the piecemeal commonalities of current fighter fleets.⁶³

For the US, FMS packages do not simply involve off-the-shelf hardware transfer, but also offer long-term training opportunities on new weapons systems to create interoperability between armed forces. For example, Singapore has purchased several tranches of F-16s from Washington over the years. These arms sales include a three-year training program for Royal Singaporean Air Force pilots in Tucson, Arizona.⁶⁴ This US-Singaporean joint air force training program speaks to the importance of Washington's FMS programs in building durable security relationships.

Fifth, *access and influence*. Security assistance arguably represents America's best way to build long-term defense ties with regional partners. These programs also serve as a powerful signal of US strategic interests – arms sales reassure allies and partners of Washington's commitment to upholding its security guarantees.

By purchasing US arms, a recipient country is not simply buying off-the-shelf hardware, but is instead investing in a long-term relationship that will aid its military in training, acquisition reform, strategic planning, and logistical support. Large military sales programs build extensive bilateral defense ties because they involve large segments of the US interagency process. Arms sales and training are the glue that binds together the US alliance network.

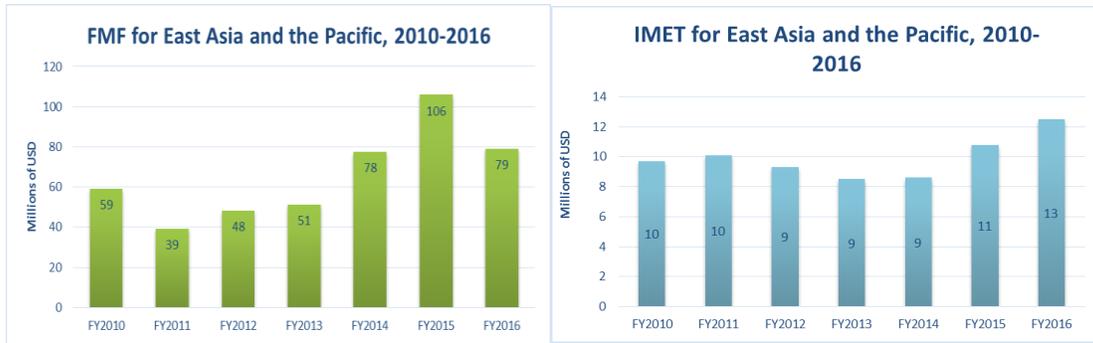
The US, in turn, seeks to leverage its security network to secure forward military access. China's precision strike complex has spurred the US to begin developing a geographically dispersed basing posture in the Asia-Pacific. A primary line of effort pursued by the Obama

administration is the expansion of US basing, regional ports, airfields, and training facilities in Southeast Asia. FMS is but one “carrot” that the US can offer in order to secure access to new military facilities abroad.

Rebalance-era Maritime Security Assistance Programs

Since the announcement of the rebalance to Asia, the United States has launched a number of initiatives to build partner capacity in Southeast Asia. In December 2013, Secretary of State John Kerry launched the Southeast Asia Maritime Law Enforcement Initiative, committing \$25 million in US government funds to train, equip, and provide facilities to the maritime law enforcement agencies of Indonesia, Malaysia, the Philippines, and Vietnam.⁶⁵ As a result of this program, US International Narcotics Control and Law Enforcement program outlays to the Asia-Pacific region now top \$40 million a year, up from \$25 million in 2013.⁶⁶

Then at the 2014 Shangri La Dialogue in Singapore, then-Secretary of Defense Chuck Hagel announced that the US was planning to increase Foreign Military Financing to the Asia-Pacific by 35% and military education and training by 40% before 2016.⁶⁷ The following year, FMF rose from \$77.5 to \$106 million for the Asia-Pacific region, with most of the new funding placed in a region-wide account that was not earmarked for any particular nation, giving the State Department wider discretion as to where to allocate the funds. Unfortunately, FMF dipped back to \$79 million in 2016 when the regional fund was not renewed.



Source: Security Assistance Monitor, “East Asia and Pacific” data, <http://securityassistance.org/data/>, accessed August 20, 2016.

In 2015, the Senate Armed Services Committee (SASC), led by Senator John McCain, rolled out a five-year \$425 million Southeast Asia Maritime Security Initiative (MSI) to improve regional maritime domain awareness for Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.⁶⁸ The goal of this Pentagon Title 10 program is to help these partner states develop a common operating picture of the air and maritime activity occurring in the South China Sea. The committee approved \$50 million of the MSI for fiscal year (FY) 2016 with over \$40 million allocated to Manila, while the remaining outlays were divided among the other partners.⁶⁹ As an archipelagic treaty ally of the United States, the Philippines is naturally the largest recipient of US maritime security assistance grants in Southeast Asia. Under the Aquino administration (2010-2016), the US-Philippine alliance experienced a renaissance.⁷⁰ Originally established in 1951, the alliance reached a low point at the close of the Cold War, when the Philippine Senate voted to eject the United States from all military bases on Philippine soil. During the Bush administration’s “global war on terror,” US special operations forces assisted Manila in combating Filipino domestic terrorist groups, but these cooperative activities were limited in scope. The Obama administration has instead focused on helping the Armed Forces of the Philippines (AFP) reach a minimum deterrent military capability and enhancing Manila’s

maritime C4ISR (command, control, computers, communications, intelligence, surveillance, and reconnaissance) capacity.

In 2011, the two governments issued the Manila Declaration, which affirmed the alliance's commitment to enhancing the Philippines' defense capabilities. The US followed up on this agreement by granting the AFP \$40 million in Global Security and Contingency Fund money.⁷¹ In 2014, the US and Philippines reached a new Enhanced Defense Cooperation Agreement (EDCA) that allows US troops rotational access to five bases throughout the Philippines and enhances bilateral military ties, opening new avenues for security assistance. The Philippine Supreme Court formally overruled a challenge to EDCA in January 2016. President Obama personally raised the salience of security assistance to the Philippines on a 2015 visit to the *Gregorio del Pilar*, the Philippines' flagship naval vessel that the US transferred to Manila in 2011. US FMF outlays to Manila have risen from \$25 million in 2012 to \$50 million per year in 2014, 2015, and 2016.⁷² During that period, the US has transferred a number of maritime platforms to the Philippines through the Excess Defense Articles program, including two additional *Hamilton*-class US Coast Guard cutters and a naval marine surveillance vessel, the *R/V Melville*.⁷³ The US has also spent a great deal of money to strengthen Philippine defense institutions, including the construction of a National Coast Guard Watch Center in Manila, a project directed by the US Defense Threat Reduction Agency, and an additional training and logistical base.⁷⁴ As noted above, the Philippines will receive the lion's share of MSI funds distributed by Washington this year.

Despite the seemingly positive direction of US-Philippine defense ties, newly elected President Rodrigo Duterte has insisted that he plans to steer Manila towards a more independent foreign policy.⁷⁵ Over the past several months Duterte has spoken out against Washington's

perceived lack of support for the Philippines, threatened to kick US counterterrorism advisors out of the Southern Philippines, and openly mused that Manila could survive without the alliance.

While Duterte's rhetoric is certainly troubling, his cabinet officials have been quick to walk back many of his controversial statements.⁷⁶ In a September 2016 speech in Washington, Secretary of Foreign Affairs Yasay described the alliance as "ironclad."⁷⁷ However, after this statement from Yasay, the Philippines did announce that it would discontinue joint patrols of the South China Sea with the United States.⁷⁸ The next US administration will need to determine whether Duterte's comments are largely bluster or if he actually plans to continue scaling back alliance activities, which would negatively impact maritime capacity building efforts.

In Vietnam, the Obama administration has taken several steps to normalize relations over the last several years. In 2013, the US designated \$18 million of the Southeast Asia Maritime Law Enforcement Initiative to transfer Metal Shark patrol boats to Vietnam.⁷⁹ A year later, Washington partially lifted a longstanding arms sale ban to allow the transfer of maritime defense hardware (that could not be used for internal repression). This move was followed by a 2015 "Joint Vision Statement" between the US Department of Defense and Vietnamese Ministry of National Defense. Finally, in May 2016, President Obama completely lifted the US arms embargo on Vietnam during a visit to Hanoi.⁸⁰ In doing so, the US aligned its policy with its strategy. As Senator John McCain stated, "we cannot ask our partners to contribute more while continuing to take steps to directly limit the level of their contribution."⁸¹

In fiscal years 2013 through 2015, Washington provided Vietnam with \$10 million in annual Foreign Military Financing, an increase from the \$2 million a year in FMF funds provided prior to the rebalance to Asia. The US has already committed almost \$2 million of Maritime Security Initiative funds to determine Vietnam's defense acquisition needs.⁸² Moving

forward, Hanoi is particularly interested in acquiring US maritime domain awareness (MDA) technology – surveillance aircraft, navy and coast guard vessels, and radar systems. Early in 2016, Vietnam hosted a symposium with US defense industrial giants Boeing and Lockheed Martin to discuss these platforms.⁸³

Washington has also made strides to improve security assistance efforts with Southeast Asia's largest state, Indonesia. The US resumed normal military relations with Jakarta in 2005 after several decades of cold bilateral ties resulting from Washington's concerns over Indonesian human rights abuses. Upon signing a US-Indonesia Comprehensive Partnership in 2010, President Obama declared that "the United States and Indonesia are bound together by shared interests and shared values."⁸⁴ One product of this agreement was an annual working group meeting to advance Indonesian military modernization.

Washington's primary security assistance line of effort with Jakarta has been to reform Indonesia's defense institutions and reorient it toward the maritime domain, in line with President Joko Widodo's strategic conception of Indonesia as a "global maritime fulcrum."⁸⁵ To this end, the Pentagon has used its Defense Institutional Reform Initiative (DIRI) to develop the Indonesian military's institutional capabilities, such as strategic planning and budgetary and human resource management.

The Indonesian Armed Forces (TNI) remain heavily controlled by the army, resulting in underfunded naval and air forces.⁸⁶ The TNI also relies on outdated military platforms and suffers from maintenance and refurbishment challenges.⁸⁷ Thus, the US has emphasized its support for the organizational development (human resources capacity, technical skills, and educational partnerships) of Indonesia's new coast guard, formed in 2014 from the combination of several redundant maritime constabulary organizations.⁸⁸ Indonesia receives annual outlays of

\$10 million from the US as part of its International Narcotics Control and Law Enforcement Program to shore up its coast guard.

At the higher end of the military spectrum, Washington agreed in 2011 to transfer 24 F-16s to Indonesia, with Jakarta paying for refurbishment and upgrades.⁸⁹ The first three airplanes were delivered in July 2014. Despite these EDA transfers, US FMF to Jakarta has gone down from \$20 million in 2010-2011 to \$14 million in 2016.⁹⁰ Total State Department security assistance outlays to Indonesia also fell from over \$40 million in 2010 to \$32 million in 2015.⁹¹

How the US Should Expand Security Assistance to Southeast Asia

Despite the administration's strategic prioritization of the Asia-Pacific, the United States still only devotes 1% of its foreign military financing (FMF) to Asia, a number not commensurate with US interests in the region. In fact, US total security assistance to Southeast Asia in 2015 was 20% below 2010 levels. Of the ten nations in Southeast Asia, only Laos, Myanmar, and Vietnam received larger outlays of US security assistance in 2015 than in 2010.⁹² Key US maritime partners including the Philippines, Malaysia, and Indonesia have all faced reduced funding. Additionally, US IMET spending in Asia (FY2016: \$12.5 million) remains the smallest of any region in the world.⁹³

Despite an increase in FMF in FY2015, Indonesia, the Philippines, and Vietnam collectively only receive \$75 million in FMF funding per year – “budget dust,” relatively speaking — to resist Chinese maritime coercion. To put this amount in perspective, Israel receives \$3.1 billion per year, Egypt receives \$1.3 billion per year, and Jordan and Pakistan each receive over \$250 million per year. Even setting aside the \$4.4 billion in annual FMF provided to

Israel and Egypt, East Asia only receives around 5% of the remaining \$1.6 billion of US FMF distributed around the world.

In 2015, the Pentagon released an Asia-Pacific Maritime Strategy Report that declared building ally and partner capacity as one of its four primary lines of effort.⁹⁴ The report stated: “In Southeast Asia, the Department’s first priority is working together with our allies and partners to develop the most effective mix of capabilities to provide credible maritime defenses and patrol capabilities.” The report lays out an ambitious plan for US security assistance efforts in the region, one that will require expensive hardware and sustained training beyond the levels currently offered.

The United States must continue raising the costs of Chinese maritime coercion by increasing the share of resources it commits to partner capacity building in Southeast Asia, while coordinating more explicitly with allies such as Japan, Australia, and South Korea to synchronize assistance efforts. In the near term, US efforts should focus on bolstering partner maritime domain awareness and patrol capacity. In the long run, Washington must assist its partners in developing a suite of asymmetric capabilities to fend off Chinese coercion. Here are several proposals through which it can achieve these objectives:

Develop an Asian Reassurance Initiative. In 2016, Senator McCain proposed an Asian Reassurance Initiative dedicated to “enhancing posture, improving infrastructure, funding additional exercises, prepositioning additional equipment and munitions, and building partner capacity throughout the Asia-Pacific region.”⁹⁵ In hindsight, he meant this as an off-the-cuff comment, but the idea is worth bearing out. This program would mirror the Obama administration’s European Reassurance Initiative that in its first year (FY2015) was funded to the tune of \$985 million and has now risen to \$3.4 *billion* in the administration’s FY2017

request.⁹⁶ Given that benchmark, an Asian Reassurance Initiative could potentially provide several hundred million dollars for partner training and capacity building. It would also offer a framework to orient overlapping security assistance programs that disperse money to partners in the Asia-Pacific.

Under the auspices of an Asian Reassurance Initiative, the US could expand the Maritime Security Initiative. As discussed above, the MSI is a five-year \$425 million program to provide further training, MDA infrastructure, and vessels for Southeast Asian partners. In 2016, the pilot year for the project, the Philippines received \$41 million out of \$50 million, while the remaining funds were divided between Vietnam, Indonesia, Malaysia, and Thailand. In the following years, the next administration should seek to divide the funds more evenly.

Signal priorities through a large arms sale package. Despite rocky political relations with President Duterte, if stable military ties continue over the coming year, the next administration should propose a robust Foreign Military Sales package to the Philippines. Manila's national security establishment remains well aware of the external threats they face. In a recent online statement critical of the US, the Philippines' Foreign Affairs Secretary Yasay stated, "our defensive forces remain grossly incapable in meeting the security threats that we face from potential foes."⁹⁷ The US may be able to reassure Manila by offering a well-timed round of arms sales.

In April 2001, President Bush announced a substantial military assistance package for Taiwan as a signal of his administration's priorities.⁹⁸ The next president should consider a similar move with Manila, albeit one that suits the Armed Forces of the Philippines' needs and capabilities. US assistance to the Philippines, as with any partner, should balance funding for logistics, maintenance, and workforce systems with that for the actual defense hardware.

US arms sales, for example, should fulfill requirements laid out in the Philippines' 15-year military modernization initiative – frigates, surveillance planes, and land-based missile systems. An example of the Philippines' budget shortcomings was last year's decision to push off the acquisition of a land-based missile system from Israel.⁹⁹ Instead, those funds were used to acquire basic infantry equipment. Increased US funding would allow the Philippines to continue to address internal threats with its army, while also upgrading its naval, air force, and coast guard assets.

Increase the FMF topline in the Asia-Pacific. Despite the nominal growth of FMF funding to the Asia Pacific in the past two years, Washington's FMF outlays to the region lag behind those provided to Europe, the Middle East, and South Asia. US FMF by region is skewed heavily to the Middle East due to the massive annual arms transfers to Israel and Egypt. That said, if the "lion's share of the history of the 21st century is going to be written in Asia," as stated by Kurt Campbell, Hillary Clinton's right-hand man on Asia policy, then the US needs to align its security assistance with its strategic priorities.

Increased FMF to the Asia-Pacific will require high-level attention from the Secretary of State and Secretary of Defense to overcome the significant bureaucratic and political hurdles involved in freezing or reducing FMF levels in other regions. The State Department should continue requesting funds for a region-wide pot of FMF funds. Starting in 2015, Congress authorized a \$25 million East Asia-Pacific FMF fund that could be deployed to various Southeast Asian states as needed. Yet in 2016 this account dropped to \$1 million, while for 2017 the Senate Committee on Appropriations is renewing its request for another \$25 million.¹⁰⁰ The next administration should continue seeding this account and increasing its funds.

As Washington's defense relationship with Hanoi continues to mature, Vietnam will become more amiable to acquiring US defense platforms. It will take time to complete Foreign Military Sales due to the costliness of US hardware and the byzantine nature of the US acquisition process. For the foreseeable future, Vietnam will continue to acquire its big-ticket weapons platforms from Russia. However, reports suggest that Hanoi does want to acquire P-3C patrol aircraft through the Pentagon's Excess Defense Article program both for its capabilities and in order to diversify away from sole reliance on Moscow for its defense acquisitions.¹⁰¹ Vietnam's 2016 defense budget only includes \$1.5 billion for procurement, so the US should raise Foreign Military Financing levels above the current \$10 million a year. By comparison, Pakistan receives \$280 million per annum.¹⁰² The administration will have to expend political capital to back increased FMF levels for Vietnam during the annual congressional budget fight.

Involve Capable Allies. Over the past decade, the US has worked to move away from a hub-and-spokes model of alliances toward a "networked architecture of cooperation."¹⁰³ Security assistance provides one avenue to connect the "spokes." Wealthy US partners with maritime national security interests, such as Japan, Australia, and South Korea, can distribute aid to Southeast Asian states facing Chinese coercion. This network of partners acts as a force multiplier to US security assistance efforts.

In particular, the United States should coordinate more explicitly with Japan to allocate security assistance funding to Southeast Asian partners as Tokyo becomes a more significant player in the region. Prime Minister Shinzo Abe has led Japan toward a more active foreign policy, largely in response to China's military development and growing ability to cut off maritime trade routes that serve as Japan's economic lifeline. Abe's government has increased the defense budget and loosened constitutional restrictions to allow Japan's Self-Defense Forces

to cooperate with partners in limited security missions.¹⁰⁴ In April 2014, Tokyo also removed a longstanding arms export ban. Since then, Japan has signed defense research and development (R&D) agreements with Australia and the United Kingdom.

Under Abe's "proactive contribution to peace" policy, Tokyo has signed strategic partnership agreements with Indonesia, Malaysia, the Philippines, and Vietnam. Japan has also agreed to provide patrol ships and aircraft to these nations. Last May, Japan and the Philippines held their first joint naval exercises, and Vietnam recently agreed to hold joint naval exercises with Japan.¹⁰⁵ In June 2016, Japan took part in trilateral exercises with the US Navy and Indian Navy in the Philippine Sea.¹⁰⁶

Given these recent developments in Abe's foreign policy and defense strategy, the United States should more explicitly coordinate its partner capacity building efforts with Japan. In 2015, Washington established bilateral working groups with both Indonesia and Vietnam to help clarify their maritime defense requirements — Japan should be involved in these consultations as well to prevent redundant or contradictory efforts.¹⁰⁷ In some areas, Japan will also be able to provide comparable hardware for a much more affordable price. For example, the Kawasaki P-1 maritime surveillance plane costs \$100 million less than a US P-8 Poseidon.¹⁰⁸

In addition to direct arms transfers, Japan is an active provider of strategic official development assistance (ODA) that links aid and security interests.¹⁰⁹ In 2015, Japan revised its ODA charter to allow funding of security capacity programs for ASEAN countries.¹¹⁰ If properly planned, Japanese financing for power grids, airports, and port facilities could serve as dual economic and defense infrastructure. Dual-use ODA is lower profile than direct arms transfers, thus making it more palatable for Japan's pacifist-leaning domestic constituencies and reducing the chance of hostile rhetoric from Beijing.

Australia too maintains a strategic interest in both freedom of navigation and regional stability in Southeast Asia. Accordingly, Canberra provides a limited amount of maritime security assistance to its northern partners. In the 1980s, shortly after the United Nations Convention on the Law of the Sea was established, Australia provided twenty-two coast guard vessels to 12 neighboring Pacific island states as part of the Pacific-Patrol Boat Program (PPBP). In 2014, Australia elected to renew the PPBP program.¹¹¹ The Royal Australian Navy has provided the Philippines with coastal patrol craft in addition to funding port security and border control training programs.¹¹²

Ministerial-level engagement on Southeast Asian maritime security issues has created promising avenues for trilateral cooperation. The 2016 US-Japan-Australia strategic dialogue statement expressed “serious concerns over maritime disputes in the South China Sea” and “welcomed the development of trilateral cooperation on maritime security capacity-building in Southeast Asia.”¹¹³ In early 2016, reports stated that American, Japanese, Australian, and Philippine coast guard officials were planning to meet together for the first time in order to coordinate against coercive Chinese maritime activities.¹¹⁴ This is precisely the type of collaboration that will allow the United States, Japan, and Australia to deconflict capacity building efforts, while passing on best practices to developing Southeast Asian coast guards and navies.

Operational Requirements

In the near term, the next administration should focus its efforts on filling the gaps in maritime intelligence, surveillance, and reconnaissance (ISR) capabilities of its Southeast Asian

partners. If Asia's littoral states cannot see Chinese activity in their waters, it will be difficult for them to deter Beijing from seizing additional islets in the Spratlys. Low-tech drones, decommissioned US coast guard cutters, and a US information sharing network would go a long way to increase US partners' situational awareness. The US could even consider using its FMF program to incentivize Southeast Asian partners to engage in MDA information sharing.¹¹⁵ Over the medium to long term, the US should begin working with Southeast Asian partner states to develop their own asymmetric strategies. This would involve the acquisition of anti-ship cruise missiles, mobile anti-aircraft systems, anti-submarine warfare systems, and sea mines. By developing their own A2/AD complexes, US partners will be better prepared to parry Chinese attacks and complicate Chinese defense planning. Vietnam has already begun this process, as shown by its recent deployment of mobile rocket launchers to features it occupies in the Spratly islands (Note: This move runs contrary to US requests for claimants to cease militarizing disputed features in the South China Sea).

Skeptics point out that the Philippines, Vietnam, Malaysia, and Indonesia currently lack the necessary military capabilities and resources to counter China. However, as South Korea's experience shows, consistent support from a patron state can help countries build viable defense industries and establish substantial military capacity. Indeed, it would be difficult for Japan, Taiwan, Singapore, or South Korea to have their current modern military forces absent past sustained US security assistance. Now, Washington should seek to expand that model in Southeast Asia, with the Philippines and Vietnam in particular.

Conclusion

The Sino-American relationship will continue to involve both cooperative and competitive dynamics, but under Xi Jinping, it has become increasingly clear that Beijing intends to challenge Washington's dominance in the Asia-Pacific by testing its network of allies and partners and pressuring forward-based US forces in the region. In many ways, this is expected rising great-power behavior. The enduring question for US policymakers is how to respond to this revisionist challenger.

Washington's 2011 "pivot to Asia" was a recognition that America's primary strategic advantage in the Asia-Pacific is its network of partner nations. Many are likeminded liberal democracies, while others are more unsavory regimes seeking protection from a proximate geopolitical rival. If the US intends to ensure its position in Asia, it must continue to deepen its engagement with this network of peers.

Security assistance is a tangible means of bolstering partner nations' ability to fend off Chinese maritime coercion. If the US truly seeks to shift its strategic weight to the Asia-Pacific, it must consider ways to rebalance its security assistance programs to enable its maritime Southeast Asian partners as they defend the front lines. If done effectively, the US will alter Beijing's decision-making calculus and possibly its strategic behavior.

-
- ¹ Simon Denyer, "U.S. Spy Plane Buzzed by Chinese Jets in 'unsafe' Intercept," *Washington Post*, June 8, 2016, https://www.washingtonpost.com/world/us-spy-plane-buzzed-by-chinese-jets-in-unsafe-intercept/2016/06/08/160d607f-770a-484c-8339-62c0816487fe_story.html.
- ² "China Jams US Drones," *Manila Times*, May 23, 2015, <http://www.manilatimes.net/china-jams-us-drones/186040/>.
- ³ Bill Gertz, "Chinese Submarine Stalked U.S. Aircraft Carrier," *Free Beacon*, November 23, 2015, <http://freebeacon.com/national-security/chinese-submarine-stalked-us-aircraft-carrier/>.
- ⁴ "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," Department of Defense, January 2012, accessed June 27, 2016, http://archive.defense.gov/news/Defense_Strategic_Guidance.pdf.
- ⁵ "Foreign Military Financing," *Security Assistance Monitor*, accessed June 22, 2016, http://www.securityassistance.org/data/country/military/Foreign%20Military%20Financing/2010/2017/is_all/Global.
- ⁶ Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W.W. Norton and Company, 2011).
- ⁷ Evan Montgomery, "Contested Primacy in the Western Pacific," *International Security* 38 (Spring 2014), 115-149, http://belfercenter.ksg.harvard.edu/files/IS3804_pp115-149.pdf.
- ⁸ US Department of Defense, "The Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment," 2015, accessed June 15, 2016, http://www.defense.gov/Portals/1/Documents/pubs/NDAA%20A-P_Maritime_Security_Strategy-08142015-1300-FINALFORMAT.PDF.
- ⁹ Andrew S. Erikson and Conor M. Kennedy, "China's Maritime Militia: What it is and How to Deal with it," *Foreign Affairs*, June 23, 2016, <https://www.foreignaffairs.com/articles/china/2016-06-23/chinas-maritime-militia>.
- ¹⁰ Andrew S. Erikson and Conor M. Kennedy, "China's Maritime Militia."
- ¹¹ David Ignatius, "The U.S. is heading toward a dangerous showdown with China," *Washington Post*, March 15, 2016, https://www.washingtonpost.com/opinions/the-us-is-heading-toward-a-dangerous-showdown-with-china/2016/03/15/c835a1b4-eaf2-11e5-b0fd-073d5930a7b7_story.html.
- ¹² Evan Montgomery, "Contested Primacy in the Western Pacific."
- ¹³ Toshi Yoshihara, "Chinese Maritime Geography," in *Strategy in Asia: The Past, Present, and Future of Regional Security*, edited by Thomas G. Mahnken and Dan Blumenthal, (Palo Alto: Stanford University Press, 2014), p. 45.
- ¹⁴ Captain Raul Pedrozo, "The USNS Impeccable Incident," *Naval War College Review* 62 (Summer 2009), <https://www.usnwc.edu/getattachment/d11a2362-fa30-4742-8ec4-c8bed2025114/Close-Encounters-at-Sea--The-USN>.
- ¹⁵ US Department of Defense, "2004 Defense Strategy Review and Global Posture Review," accessed June 22, 2016, http://www.dmzhawaii.org/wp-content/uploads/2008/12/global_posture.pdf.
- ¹⁶ Nina Silove, "The Pivot before the Pivot: U.S. Strategy to Preserve the Power Balance in Asia," *International Security* 40 (Spring 2016): 45-88, http://www.mitpressjournals.org/doi/abs/10.1162/ISEC_a_00238#.V2REoUrJpg; Thomas Christensen, *The China Challenge* (New York: W.W. Norton, 2015), p. 248. As Tom Christensen points out: "Almost all of the major military aspects of US policy now associated with the pivot were in motion before the surge in Iraq in 2006."
- ¹⁷ Nina Silove, "The Pivot before the Pivot: U.S. Strategy to Preserve the Power Balance in Asia."
- ¹⁸ *Ibid*, 68.
- ¹⁹ *Ibid*.
- ²⁰ Hilary Clinton, "America's Pacific Century," *Foreign Policy*, October 11, 2011, <http://foreignpolicy.com/2011/10/11/americas-pacific-century/>.
- ²¹ Peter Chalk, "The Eagle has Landed: The US rebalance to Southeast Asia," ASPI, June 2016, p. 8.
- ²² Joshua Kurlantzick, "Pivotal Moment," *Democracy* 39 (Winter 2016), <http://democracyjournal.org/magazine/39/pivotal-moment/>.
- ²³ Note: As of the publication of this paper, both major party presidential candidates, Hillary Clinton and Donald Trump, have campaigned against the TPP.
- ²⁴ "Leon Panetta: US to deploy 60% of naval fleet to the pacific," *BBC News*, June 2, 2012, <http://www.bbc.com/news/world-us-canada-18305750>.
- ²⁵ "U.S. navy may station ships in Singapore, Philippines," *Reuters*, December 16, 2011, <http://www.reuters.com/article/us-usa-navy-asia-idUSTRE7BF04Y20111216>.

-
- ²⁶ Aaron Mehta, “Carter Announces \$425 million in Pacific Partnership Funding,” *Defense News*, May 30, 2015, <http://www.defensenews.com/story/defense/2015/05/30/carter-announces-425m-in-pacific-partnership-funding/28206541/>.
- ²⁷ “Rebalance to Asia Led to Drop in Security Assistance for Southeast Asia,” *Council on Foreign Relations*, accessed June 22, 2016, [http://www.cfr.org/asia-and-pacific/rebalance-asia/p37516#/>.](http://www.cfr.org/asia-and-pacific/rebalance-asia/p37516#/)
- ²⁸ CFR, “Rebalance to Asia Led to Drop in Security Assistance for Southeast Asia.”
- ²⁹ Kathleen J. McInnis and Nathan J. Lucas, “What is “Building Partner Capacity”? Issues for Congress,” U.S. Library of Congress, Congressional Research Service, R44313 (2015), <https://www.fas.org/sgp/crs/natsec/R44313.pdf>.
- ³⁰ U.S. Library of Congress, Congressional Research Service, *State, Foreign Operations Appropriations: A Guide to Component Accounts*, by Curt Tarnoff and Alex Tiersky, R40482 (2016), <https://www.fas.org/sgp/crs/row/R40482.pdf>.
- ³¹ Nina Serafino, “Security Assistance and Cooperation: Shared Responsibility,” U.S. Library of Congress, Congressional Research Service, R4444 (2016), <https://www.fas.org/sgp/crs/natsec/R44444.pdf>, p. 8.
- ³² Defense Security Cooperation Agency, “Foreign Military Sales,” accessed June 22, 2016, <http://www.dsca.mil/programs/foreign-military-sales-fms>.
- ³³ Defense Security Cooperation Agency, “Major Arms Sales: December 2015,” December 21, 2015, <http://www.dsca.mil/major-arms-sales/archives/201512>.
- ³⁴ Defense Security Cooperation Agency, “Excess Defense Articles,” accessed June 22, 2016, <http://www.dsca.mil/programs/excess-defense-articles-eda>.
- ³⁵ “Ways and Means,” Federation of American Scientists, accessed August 17, 2016, <http://fas.org/asmp/library/handbook/WaysandMeans.html/>.
- ³⁶ Prashanth Parameswaran, “US Gives Philippines Warship after South China Sea Ruling,” *The Diplomat*, July 21, 2016, <http://thediplomat.com/2016/07/us-gives-philippines-warship-after-south-china-sea-ruling/>.
- ³⁷ Security Assistance Monitor, “Foreign Military Financing,” accessed June 22, 2016, http://www.securityassistance.org/data/country/military/Foreign%20Military%20Financing/2010/2017/is_all/Global.
- ³⁸ Security Assistance Monitor, “Foreign Military Financing,” accessed June 22, 2016, http://www.securityassistance.org/data/country/military/Foreign%20Military%20Financing/2010/2017/is_all/Global ; Derek S. Reveron, “Weak states and security assistance,” *Center for Complex Operations*, http://cco.ndu.edu/Portals/96/Documents/prism/prism_1-3/Prism_27-42_Reveron.pdf.
- ³⁹ Security Assistance Monitor.
- ⁴⁰ Ibid.
- ⁴¹ Ibid.
- ⁴² Derek S. Reveron, “Weak states and security assistance.”
- ⁴³ Serafino, “Security Assistance and Cooperation,” p. 43.
- ⁴⁴ Defense Security Cooperation Agency, “Security Assistance Management Manual,” accessed June 23, 2016, <http://www.samm.dsca.mil/chapter/chapter-15>.
- ⁴⁵ Bryan Bender, “Pentagon muscles out State Dept. on foreign aid,” *Politico*, March 23, 2016, <http://www.politico.com/story/2016/03/general-diplomats-tussle-over-pentagons-growing-military-aid-portfolio-221177>.
- ⁴⁶ David E. Thaler, Michael J. McNeerney, Beth Grill, Jefferson P. Marquis, Amanda Kadlec, “From Patchwork to Framework: A Review of Title 10 Authorities for Security Cooperation,” *RAND Corporation*, 2016, http://www.rand.org/pubs/research_reports/RR1438.html.
- ⁴⁷ RAND, “From Patchwork to framework,” p. 78.
- ⁴⁸ Security Assistance Monitor, “Department of Defense Programs,” accessed June 22, 2016, http://securityassistance.org/data/country/military/country/2010/2017/is_DOD/East%20Asia%20and%20the%20Pacific.
- ⁴⁹ Security Assistance Monitor, “Military and Police Aid,” accessed June 22, 2016, <http://www.securityassistance.org/data/>.
- ⁵⁰ “Annoyed in Natuna: China turns what would be a peacemaker into yet another rival,” *The Economist*, July 2, 2016, <http://www.economist.com/news/asia/21701527-china-turns-would-be-peacemaker-yet-another-rival-annoyed-natuna>.
- ⁵¹ Ibid.

-
- ⁵² “Vietnam’s Island Building: Double-Standard or Drop in the Bucket?,” Asia Maritime Transparency Initiative CSIS, accessed August 17, 2016, <https://amti.csis.org/vietnams-island-building/>.
- ⁵³ Jane Perlez, “Vietnamese Vessel Sinks in Clash Near Oil Rig,” *New York Times*, May 26, 2014, 2016, http://www.nytimes.com/2014/05/27/world/asia/vietnam-boat-sinks-in-clash-near-oil-rig.html?_r=0; Ernest Z. Bower and Gregory B. Poling, “China-Vietnam Tensions High over Drilling Rig in Disputed Waters,” CSIS, May 17, 2014, <https://www.csis.org/analysis/china-vietnam-tensions-high-over-drilling-rig-disputed-waters>.
- ⁵⁴ Jakub J. Grygiel and A. Wess Mitchell, *Unquiet Frontier: Rising Rivals, Vulnerable Allies, and the Crisis of American Power* (Princeton: Princeton University Press, 2016); Jakub Grygiel, “Arming Our Allies: The Case for Offensive Capabilities,” Strategic Studies Institute, 2015, http://www.strategicstudiesinstitute.army.mil/pubs/parameters/issues/Autumn_2015/7_Grygiel.pdf.
- ⁵⁵ Paul J. Leaf, “Learning from China’s Oil Rig Standoff with Vietnam,” *The Diplomat*, August 30, 2014, <http://thediplomat.com/2014/08/learning-from-chinas-oil-rig-standoff-with-vietnam/>.
- ⁵⁶ US Department of Defense, “The Asia-Pacific Maritime Security Strategy: Achieving U.S. National Security Objectives in a Changing Environment,” 2015, http://www.defense.gov/Portals/1/Documents/pubs/NDAA%20A-P_Maritime_Security_Strategy-08142015-1300-FINALFORMAT.PDF, p. 12.
- ⁵⁷ Grygiel and Mitchell, *Unquiet Frontier*.
- ⁵⁸ Patrick M. Cronin, Dr. Ely Ratner, Elbridge Colby, Zachary M. Hosford, and Alexander Sullivan, “Tailored Coercion: Competition and Risk in Maritime Asia,” *Center for a New American Security*, March 2014, http://www.cnas.org/sites/default/files/publications-pdf/CNAS_TailoredCoercion_report.pdf.
- ⁵⁹ A. Wess Mitchell, “The Case for Deterrence by Denial,” *The American Interest*, August 12, 2015, <http://www.the-american-interest.com/2015/08/12/the-case-for-deterrence-by-denial/>.
- ⁶⁰ Mackenzie Eaglen and Rick Berger, “How Congress and the Pentagon Joined Forces to Worsen the Navy’s Carrier Gap,” *War on the Rocks*, August 4, 2016, <http://warontherocks.com/2016/08/how-congress-and-the-pentagon-joined-forces-to-worsen-the-navys-carrier-gap/>.
- ⁶¹ Desmond Walton, “Security Cooperation: The Key to Access and Influence in the Asia-Pacific,” *Center for a New American Security*, June 6, 2016, http://www.cnas.org/sites/default/files/publications-pdf/CNAS_Walton-security-cooperation.pdf.
- ⁶² Dr. Dafna H. Rand and Dr. Stephen Tankel, “Security Cooperation and Assistance: Rethinking the Return on Investment,” *Center for a New American Security*, August 2015, http://www.cnas.org/sites/default/files/publications-pdf/CNAS%20Report_Security%20Cooperation_FINAL.pdf.
- ⁶³ Thomas Donnelly and Philip Lohaus, “Mass and Supremacy: A Comprehensive Case for the F-35,” *The American Enterprise Institute*, January 2013, https://www.aei.org/wp-content/uploads/2013/01/-mass-and-supremacy-a-comprehensive-case-for-the-f35_090544851556.pdf.
- ⁶⁴ Defense Security Cooperation Agency, “Singapore F-16 Pilot Training,” October 4, 2010, <http://www.dsca.mil/major-arms-sales/singapore-f-16-pilot-training>.
- ⁶⁵ US Department of State, Bureau of Public Affairs, *Southeast Asia Maritime Law Enforcement Initiative*, April 10, 2015, <http://www.state.gov/r/pa/pl/240798.htm>.
- ⁶⁶ Security Assistance Monitor, “International Narcotics Control and Law Enforcement Data: East Asia and the Pacific,” accessed June 21, 2016, http://www.securityassistance.org/data/country/military/International%20Narcotics%20Control%20and%20Law%20Enforcement/2010/2017/is_foreign_ops/East%20Asia%20and%20the%20Pacific.
- ⁶⁷ Chuck Hagel, “The United States’ Contribution to Regional Stability,” Speech, Shangri-La Dialogue First Plenary Session, Singapore, May 31, 2014, <https://www.iiss.org/en/events/shangri%20la%20dialogue/archive/2014-c20c/plenary-1-d1ba/chuck-hagel-a9cb>.
- ⁶⁸ Pranashanth Parameswaran, “America’s New Maritime Security Initiative for Southeast Asia,” *The Diplomat*, April 2, 2016, <http://thediplomat.com/2016/04/americas-new-maritime-security-initiative-for-southeast-asia/>.
- ⁶⁹ Pranashanth Parameswaran, “America’s New Maritime Security Initiative for Southeast Asia,” “U.S. defense chief visits Philippines amid sea dispute with China,” *Reuters*, April 13, 2016, <http://www.reuters.com/article/us-southchinasea-philippines-carter-idUSKCN0XA14M>.
- ⁷⁰ Recent political developments under the Duterte administration, including extrajudicial killings, are troubling and must be monitored closely in Washington as the US continues to manage the alliance.
- ⁷¹ US Department of State, “Global Security Contingency Fund Program for the Philippines,” December 17, 2013, <http://www.state.gov/r/pa/prs/ps/2013/218823.htm>.

-
- ⁷² Security Assistance Monitor, “Foreign Military Financing,” accessed June 22, 2016, http://www.securityassistance.org/data/country/military/Foreign%20Military%20Financing/2010/2017/is_all/Global.
- ⁷³ Ridzwan Rahmat, “Philippines to receive third USCG Hamilton-class cutter,” IHS Jane’s 360, March 14, 2016, <http://www.janes.com/article/58752/philippines-to-receive-third-uscg-hamilton-class-cutter>.
- ⁷⁴ Embassy of the US, Philippines, “US Ambassador Helps Open National Coast Watch Center to Enhance Philippines Maritime Domain Awareness” *PACOM News*, April 30, 2015, <http://www.pacom.mil/Media/News/Article/587080/us-ambassador-helps-open-national-coast-watch-center-to-enhance-philippine-mari/>.
- ⁷⁵ Katerina Francisco, “Duterte: PH to pursue independent foreign policy,” *Rappler*, September 10, 2016, <http://www.rappler.com/nation/145759-duterte-philippines-independent-foreign-policy>.
- ⁷⁶ Felipe Villamor, “Philippines Tries to Temper Rodrigo Duterte’s Call for U.S. Withdrawal,” *New York Times*, September 13, 2016, <http://www.nytimes.com/2016/09/14/world/asia/philippines-us-duterte-troops-mindanao.html>.
- ⁷⁷ Philippine Foreign Secretary Perfecto Yasay, Speech at the Center for Strategic and International Studies (CSIS), Washington, DC, September 15, 2016, http://3e48d3x9ina42xth42nsnx17.wpengine.netdna-cdn.com/wp-content/uploads/2016/09/Perfecto-Yasay-CSIS-Speech-Transcript_160915.pdf.
- ⁷⁸ Cris Larano, “Philippines Leader to End Joint Military Exercises, Naval Patrols With U.S.,” *Wall Street Journal*, September 29, 2016, <http://www.wsj.com/articles/philippines-leader-to-end-joint-military-exercises-joint-naval-patrols-with-u-s-1475086567>.
- ⁷⁹ US Department of State, “Expanded U.S. Assistance for Maritime Capacity Building,” December 16, 2013, <http://www.state.gov/r/pa/prs/ps/2013/218735.htm>.
- ⁸⁰ Gardiner Harris, “Vietnam Arms Embargo to be Fully Lifted, Obama Says in Hanoi,” *New York Times*, May 23, 2016, <http://www.nytimes.com/2016/05/24/world/asia/vietnam-us-arms-embargo-obama.html?mtrref=undefined&r=1>.
- ⁸¹ Office of Senator John McCain, “Statement by Senator John McCain on President Obama’s Visit to Vietnam,” May 18, 2016, <http://www.mccain.senate.gov/public/index.cfm/press-releases?ID=0889B0B6-0C71-45AC-AA73-67567D41765B>.
- ⁸² Sam LaGrone, “McCain Pushing for More U.S. Naval Engagement with Vietnam,” *USNI News*, May 24, 2016, <https://news.usni.org/2016/05/24/mccain-pushing-u-s-naval-engagement-vietnam>.
- ⁸³ My Pham and Idrees Ali, “Quietly, Vietnam hosts arms gathering attended by U.S. companies,” *Reuters*, May 11, 2016, <http://www.reuters.com/article/us-vietnam-usa-arms-idUSKCN0Y21EK>.
- ⁸⁴ President Obama, “Remarks by the President at the University of Indonesia in Jakarta, Indonesia,” speech, Jakarta, Indonesia, November 10, 2010, White House, <https://www.whitehouse.gov/the-press-office/2010/11/10/remarks-president-university-indonesia-jakarta-indonesia>.
- ⁸⁵ Sean Quirk and John Bradford, “The ‘Global Maritime Fulcrum’ and the US-Indonesia Partnership,” *The Diplomat*, October 27, 2015, <http://thediplomat.com/2015/10/how-the-global-maritime-fulcrum-can-elevate-the-us-indonesia-partnership/>.
- ⁸⁶ Michael Green et al, “Asia-Pacific Rebalance 2025: Capabilities, Presence, and Partnerships”, Center for Strategic and International Studies, January 19, 2016, p. 102.
- ⁸⁷ Michael Green et al, “Asia-Pacific Rebalance 2025: Capabilities, Presence, and Partnerships”, p. 102.
- ⁸⁸ “Indonesia to create new coastguard, boost defense spending,” *Reuters*, November 13, 2014, <http://www.reuters.com/article/us-indonesia-security-idUSKCN0IX10220141113>.
- ⁸⁹ Defense Security Cooperation Agency, “Indonesia – Regeneration and Upgrade of F-16C/D Block 25 Aircraft,” November 17, 2011, <http://www.dsca.mil/major-arms-sales/indonesia-regeneration-and-upgrade-f-16cd-block-25-aircraft>.
- ⁹⁰ Department of State, “Foreign Military Financing Account Summary,” accessed August 17, 2016, <http://www.state.gov/t/pm/ppa/sat/c14560.htm>.
- ⁹¹ Security Assistance Monitor, “Military and Police Aid: East Asia and the Pacific,” accessed August 17, 2016, http://securityassistance.org/data/country/military/country/2010/2017/is_foreign_ops/East%20Asia%20and%20the%20Pacific.
- ⁹² CFR, “Rebalance to Asia Led to Drop in Security Assistance for Southeast Asia.”
- ⁹³ *Congressional Budget Justification for Foreign Operations, Appendix 3: Fiscal Year 2016*, <http://www.state.gov/documents/organization/238222.pdf>.
- ⁹⁴ “The Asia-Pacific Maritime Security Strategy.”
- ⁹⁵ Office of Senator John McCain, “Opening Statement by SASC Chairman John McCain at Hearing on U.S. Pacific Command & U.S. Forces Korea Posture,” February 23, 2016,

<http://www.mccain.senate.gov/public/index.cfm/2016/2/opening-statement-by-sasc-chairman-john-mccain-at-hearing-on-u-s-pacific-command-u-s-forces-korea-posture>.

⁹⁶ US Department of Defense, Office of the Under Secretary of Defense (Comptroller), *European Reassurance Initiative: Department of Defense Budget for Fiscal Year 2017*, February 2016, http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2017/FY2017_ERI_J-Book.pdf.

⁹⁷ Philippine Foreign Secretary Perfecto Yasay, “America Has Failed Us,” Facebook, October 4, 2016, <https://www.facebook.com/perfectoyasayjr/posts/1436259099723852>.

⁹⁸ Shirley A. Kan, “Taiwan: Major U.S. Arms Sales since 1990,” *Congressional Research Service*, August 29, 2014, <https://www.fas.org/sgp/crs/weapons/RL30957.pdf>.

⁹⁹ Cynthia D. Balana, Gil C. Cabacungan, “Why DND put on hold P6.5B Israeli missiles,” *Inquirer.net*, July 8, 2015, <http://newsinfo.inquirer.net/703712/why-dnd-put-on-hold-p6-5b-israeli-missiles>.

¹⁰⁰ US Senate Committee on Appropriations, “Department of State, Foreign Operations and Related Programs Appropriations Bill, 2017,” June 29, 2016, <https://www.congress.gov/114/crpt/srpt290/CRPT-114srpt290.pdf>.

¹⁰¹ Franz-Stefan Gady, “Will Vietnam Buy F-16 Fighter Jets and US Sub Hunting Planes?” *The Diplomat*, May 27, 2016, <http://thediplomat.com/2016/05/will-vietnam-buy-f-16-fighter-jets-and-us-sub-hunting-planes/>; Wendell Minnick, “Vietnam May Request F-16s, P-3 Orions from US,” *Defense News*, May 25, 2016, <http://www.defensenews.com/story/defense/international/asia-pacific/2016/05/25/vietnam-may-request-f-16s-p-3-orions-us/84904786/>.

¹⁰² Department of State, “Foreign Military Financing Account Summary,” accessed August 17, 2016, <http://www.state.gov/t/pm/ppa/sat/c14560.htm>.

¹⁰³ The White House, “FACT SHEET: Advancing the Rebalance to Asia and the Pacific,” November 16, 2015, <https://www.whitehouse.gov/the-press-office/2015/11/16/fact-sheet-advancing-rebalance-asia-and-pacific>.

¹⁰⁴ Kirk Spitzer, “Japan Approves Record-high Budget, Focusing on Defense, Economic Recovery,” *USA Today*, March 29, 2016, <http://www.usatoday.com/story/news/world/2016/03/29/japan-government-defense-budget-economic-recovery/82376314/>.

¹⁰⁵ Tim Kelly and Manual Mogato, “Japan, Philippines to Hold First Naval Drill in South China Sea: sources,” *Reuters*, May 8, 2015, <http://www.reuters.com/article/us-southchinasea-philippines-japan-idUSKBN0NT11J20150508>; “Vietnam Agrees to Japanese Warship Visit, Naval Exercise: Kyodo,” *Reuters*, November 6, 2015, <http://www.reuters.com/article/us-southchinasea-vietnam-japan-idUSKCN0SV0NW20151106>.

¹⁰⁶ Sanjeev Miglani, “U.S. Plans Naval Exercises with India and Japan in Philippine Sea,” *Reuters*, March 3, 2016, <http://www.reuters.com/article/india-usa-military-exercise-idUSKCN0W41UH>.

¹⁰⁷ “The Asia-Pacific Maritime Security Strategy.”

¹⁰⁸ Tyler Rogoway, “Japan’s Totally Original Maritime Patrol Jet is Hunting for Buyers,” *Foxtrot Alpha*, July 7, 2015, <http://foxtrotalpha.jalopnik.com/japans-totally-original-maritime-patrol-jet-is-hunting-1716182328>.

¹⁰⁹ Ken Jimbo, “Japan and Southeast Asia: Three Pillars of a New Strategic Relationship,” Tokyo Foundation, May 30, 2013, <http://www.tokyofoundation.org/en/articles/2013/japan-and-southeast-asia>.

¹¹⁰ “Japan’s Foreign Policy to Promote National and Worldwide Interests” from *Diplomatic Bluebook 2015* (Tokyo: Ministry of Foreign Affairs of Japan, 2015), <http://www.mofa.go.jp/policy/other/bluebook/2015/html/chapter3/c030201.html>.

¹¹¹ Ed. Yuki Tatsumi, “US-Japan-Australia Security Cooperation: Prospects and Challenges,” Stimson Center, April 2015, https://www.stimson.org/sites/default/files/file-attachments/US-Japan_Australia-WEB.pdf.

¹¹² Ibid.

¹¹³ US Department of State, “Joint Statement of the Japan-United States- Australia Trilateral Strategic Dialogue,” July 25, 2016, <http://www.state.gov/r/pa/prs/ps/2016/07/260442.htm>.

¹¹⁴ “Japan, U.S., Australia, Philippines coast guards to huddle over China activities,” *The Japan Times*, February 9, 2016, <http://www.japantimes.co.jp/news/2016/02/09/national/politics-diplomacy/japan-australia-philippines-u-s-coast-guards-huddle-china-activities/#.V7I-yE0rJph>.

¹¹⁵ Dr. Van Jackson, Dr. Mira Rapp-Hooper, Paul Scharre, Harry Krejsa, and Commander Jeff Chism, “Networked Transparency: Constructing a Common Operational Picture of the South China Sea,” Center for a New American Security, March 2016, <http://www.cnas.org/sites/default/files/publications-pdf/CNAS%20Report-COP-160331.pdf>.