

QUAD-PLUS Dialogue



Bringing the Quad to Bear on the South China Sea

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The “Quad”—a semi-formal partnership between Australia, Japan, India, and the United States—has the potential to play a major role in advancing the members’ shared interests in maritime Asia, particularly in the South China Sea. Each of the four has consistently expressed concern over China’s actions and its claim to “historic rights” in the South China Sea, each concerns freedom of navigation (FON) and preservation of the rules-based order to be vital national interests, and each has significant (albeit very different) security and economic partnerships among the Southeast Asian claimants to those waters.

Despite their shared interests and capacities to act in the South China Sea, there are clear brakes on the degree to which the Quad members can be expected to cooperate on maritime security. Most obviously is India’s unique role within the grouping. Japan and Australia are close security partners with each other and especially with the United States, which is a formal treaty ally of both. India’s defense relationship with the other three members is growing but still nascent, and has none of the legal obligations nor the coordination mechanisms that go along with formal alliances.

Additionally, Australia, Japan, and the United States share a high degree of interoperability, with shared military platforms and doctrines, supported by a long history of arms transfers, co-production, and high-level joint training. In the case of Australia and the United States, there is also a robust tradition of joint combat operations dating to World War Two. India enjoys far less interoperability with the other partners, not least because so much of its military platforms are based on Russian rather than Western designs.

But within these constraints—both military and political—there are great opportunities for cooperation. India’s unique place in the Quad offers as many opportunities as challenges in the case of the South China Sea. For instance, New Delhi lends a degree of credibility to diplomatic efforts because of its status as a non-ally, and India’s reliance on Russian-made platforms better positions it to serve as a security partner for Vietnam—and potentially play an increased role

with regards to Indonesia and Malaysia. To that end, this paper will begin with an examination of the shared interests of the Quad members regarding the South China Sea disputes. It will then examine two key areas in which the Quad could be leveraged to advance those interests: capacity building in Southeast Asia and direct actions to assert FON in the South China Sea.

Shared Interests

Each member of the Quad shares the same three basic interests regarding the South China Sea dispute, though the way those interests have been framed and the emphasis placed on each one differs a bit among the members. Those interests, broadly speaking, can be defined as follows:

- 1) Defense of the rules-based order in the face of Chinese revisionism;
- 2) Preservation of peace and stability in Asia, underpinned by the U.S. alliance system;
and
- 3) FON as a counter to Beijing's desire to exclude foreign militaries from its near waters.

These interests are a variation on a list that emerged during the latter Obama Administration and was used fairly consistently (though not always backed by action) in public statements. It was perhaps most clearly articulated by Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel during a 2016 speech at the Center for Strategic and International Studies. When Secretary of Defense Ashton Carter insisted that the United States military would “fly, sail, and operate anywhere international law permits,” he was touching on both the first and third interests, but with clear implications for the second. That line has since become a mantra for senior U.S. officials, including in the Trump Administration, though it is too often interpreted both in the United States and within Southeast Asia as a sign that the United States is only prioritizing military access in the South China Sea as a national interest.

Despite the change in administrations in the United States, which has included a clear change of tone and focus away from the South China Sea at the highest levels, the set of U.S. interests in the disputes remains unchanged, at least in the Pentagon. There was little focus on these issues in the Trump Administration's first National Security Strategy, though a generous interpretation would suggest that they are all clearly compatible with that document's focus on great power rivalry with China. But they are clearly encapsulated by the Pentagon's National Defense Strategy, with explicitly defined preservation of the rules-based order, defense of allies and partners, and maintenance of regional stability as primary U.S. interests.

That same list of priorities in the South China Sea is shared, to one degree or another, by the other Quad members. Tokyo sees the South China Sea as part of a single littoral with the East China Sea in which Beijing is seeking to overturn core pieces of international law, including the equality of states and the maintenance of the oceans as the common heritage of mankind, so that it can establish a regional sphere of influence outside the bounds of the international rules-based order. Tokyo has repeatedly sounded the alarm over attempts by China to exclude foreign militaries, not only that of the United States, from the “first island chain” stretching from the Japanese islands through Taiwan, the Philippines, and around the rim of the South China Sea. And it remains understandably concerned that a Chinese use of force in the South China Sea

could undermine regional stability more broadly. In particular, a successful Chinese use of force in the South China Sea could encourage Beijing to try the same in the East China Sea and, most worryingly, could paint the United States as a paper tiger, undermine the U.S.–Philippine alliance, and thereby call into question U.S. credibility among all of its regional allies.

Canberra effectively shares Tokyo’s concerns, though they are not quite as immediate since Australia does not share a sea with China. Nevertheless, as a maritime nation, Australia has a clear interest in preserving the customary international maritime law, including the United Nations Convention on the Law of the Sea (UNCLOS), and as an Asia–Pacific nation it has plenty of reasons to worry about China’s emergence as a revisionist power. Australian officials under both Labor and Coalition governments have voiced support for FON in the South China Sea and objected forcefully to Chinese attempts to restrict foreign military activities within those waters.¹ Australia’s recent defense white paper echoes many of the same concerns over threats to the rules-based order and regional stability found in the U.S. National Defense Strategy. And as a U.S. treaty ally, Australia shares concerns about U.S. credibility vis-à-vis the Philippines.

For India, concern over the South China Sea is less immediate than for the other Quad parties given its geographical distance and place outside the U.S. alliance system. Nevertheless, New Delhi sees the South China Sea as a bellwether for the behavior of a rising China more broadly. Over the past decade, Chinese assertiveness has not been limited to its south and east; Beijing has repeatedly stepped up pressure along its disputed land borders with India and Bhutan, and its military has begun to operate much more extensively in the Indian Ocean. Much as Japan sees the East and South China Seas as a single contested littoral, India sees Chinese behavior along its disputed land and sea borders as part of a single revisionist strategy. In that case, success on one front could embolden Beijing on others and undermine regional stability more broadly. India has also emerged as a major defender of basic principles of international law that China seems determined to overturn in the South China Sea. This includes the equality of all states, big and small, and the defense of UNCLOS more broadly. These interests have led Indian officials to repeatedly voice support for FON, including for foreign militaries, in the South China Sea, and to tout its own peaceful arbitration of maritime disputes with its smaller neighbors as a telling contrast with China’s behavior.

Among the Quad members, these three shared interests differ in some details—most obviously with greater emphasis placed on the U.S. alliance system as the guarantor of regional stability by the three who are part of that system—but the basic premises are shared by all. And there are other auxiliary interests shared by all four members to varying degrees (concerns over environmental destruction and overfishing, for instance). But they serve as a common foundation on which the four states can pursue coordinated policies toward the South China Sea.

Capacity Building

There is no purely military solution to the South China Sea disputes, but a successful strategy to tackle the issue must include significantly boosting the capacities of Southeast Asian claimants

¹John Kehoe, “Julie Bishop Lays Out China Policy to Trump Team,” *Financial Review* (February 23, 2017), <http://www.afr.com/news/politics/julie-bishop-lays-out-china-policy-to-trump-team-20170223-gujfka> (accessed December 21, 2018).

so that they can maintain some access to their waters and airspace in the face of Chinese assertiveness. Recognizing this, all four members of the Quad have in recent years stepped up their efforts to transfer arms, provide funding, and undertake joint exercises and training for Indonesia, Malaysia, and especially the Philippines and Vietnam. The most logical starting point for Quad cooperation in the South China Sea is better coordination of efforts already being undertaken by individual members.

In 2015 the United States instituted a five-year, \$425 million capacity Southeast Asia Maritime Security Initiative aimed primarily at boosting maritime domain awareness, patrol, and interdiction capabilities and promoting information sharing among the South China Sea claimants. Ultimately the program, which is ongoing, aims to foster the development of a unified maritime operating environment among the South China Sea claimants. That would not allow any of them to go toe-to-toe with the People's Liberation Army Navy or Air Force, but it would allow help to keep an eye on Chinese activities, avoid surprises like the 2012 Scarborough Shoal seizure or the start of island-building activities in late 2013, and maintain some level of access to contested waters. Given the gaps in capabilities and the historical reluctance to share information among the claimants, the goal of a unified operating environment with \$425 million and five years was always overly ambitious. But with support from Quad partners over a longer time frame, it could prove doable.

Japan has emerged as the most eager of the other Quad members to support maritime capacity building among the Southeast Asian claimants. In 2017, Prime Minister Shinzo Abe announced a new three-year \$500 million program to boost capacity among the South China Sea claimants—in effect a better-funded version of the U.S. Maritime Security Initiative. Under its new Three Principles of Defense Equipment Transfers established in 2014, Tokyo has found creative means to finance the transfer of platforms to partner nations including the Philippines, Indonesia, and Vietnam. For instance, in October 2016 Japan agreed to lease five Beechcraft TC-90 trainer aircraft to the Philippines—the first time Tokyo had ever leased military aircraft to another country.² The planes provided the Philippines with its first real maritime patrol capability, and for a price of just \$7,000 per year (not including maintenance and operational costs).³ On January 31, 2018, the Armed Forces of the Philippines flew one of the TC-90s over Scarborough Shoal to monitor Chinese Coast Guard activity at the disputed feature; it was the first mission for one of the newly acquired planes.⁴ Tokyo has also provided the Philippines with a \$145 million official development assistance loan for 10 40-meter coast guard vessels and a \$157 million loan for 2 90-meter vessels.⁵ Similar deals have been struck with Vietnam to provide new coast guard patrol ships.

²Kyodo News, “Japan to Train Philippine Naval Pilots to Fly TC-90 Aircraft Under Lease Deal,” *Japan Times*, November 22, 2016, http://www.japantimes.co.jp/news/2016/11/22/national/japan-train-philippine-naval-pilots-fly-tc-90-aircraft-lease-deal/#.WP3k6HTD_qA (accessed December 21, 2018).

³Kyodo News, “Japan to Deliver 2 Trainer Aircraft to Philippines Next Week,” ABS-CBN News, March 21, 2017, <http://news.abs-cbn.com/news/03/21/17/japan-to-deliver-2-trainer-aircraft-to-philippines-next-week> (accessed December 21, 2018).

⁴AP, “Philippines Deploys Japanese-Donated Plane to Disputed Shoal,” ABC News, January 31, 2018, <http://abcnews.go.com/International/wireStory/philippines-deploys-japanese-donated-plane-disputed-shoal-52732650> (accessed December 21, 2018).

⁵Kyodo News, “Philippines Commissions 3 More Japan-Made Coast Guard Ships,” ABS-CBN News, November 20, 2017, <http://news.abs-cbn.com/news/11/20/17/philippines-commissions-3-more-japan-made-coast-guard-ships>

And in addition to these arms transfers, Japan has stepped up joint training and exercises with its neighbors to a level that would have been inconceivable just a decade ago. While Japan does not have a Status of Forces Agreement (SOFA) with the Philippines and therefore cannot engage in joint exercises on Philippine soil, Japanese troops have begun to join the U.S.-led Balikatan exercises as observers. In addition, Japan undertakes naval and coast guard training exercises with Philippine and other Southeast Asian counterparts beyond the territorial sea (avoiding the need for a SOFA). In 2017, Japan sent its newly built 27,000-ton helicopter carrier *Izumo* on a multi-month deployment to the South China Sea that included port calls and joint exercises with multiple partners. In June the *Izumo* and the guided-missile destroyer *Sazanami* made a four-day port visit to the Philippines and took part in confidence building engagements.⁶ Naval officers from across Association of Southeast Asian Nations states later embarked on the *Izumo* for a four-day tour of the South China Sea.⁷ More recent, in February 2018, the Japanese destroyer *Amagiri* made a two-day port call to Manila for a range of activities, including a passing exercise.⁸

Australia has not been as proactive as Japan in providing major maritime platforms to Southeast Asian counterparts, though it did gift two decommissioned landing craft heavy vessels to the Philippines in 2015 and sold three more in 2016 for just \$5.8 million.⁹ More importantly, Australia is extremely active in joint training, exercises, and capacity building in the region. This is particularly important in the Philippines where Australia is the only country other than the United States to have a SOFA, allowing its troops to undertake exercises and other operations on Philippine soil.¹⁰ Thanks to that agreement, Australian troops not only take part in Balikatan but also the bilateral army Exercise Dawn Caracha and navy Exercise Lumbas in the Philippines.¹¹ And in March 2017, the deputy chief of the Royal Australian Navy and vice commander of the Philippine Navy co-chaired the first-ever Navy-to-Navy Strategy talks between the two sides.¹²

(accessed December 21, 2018); Amy R. Remo and Leila B. Salaverria, "\$19B in Financial Deals from Japan," *Philippine Daily Inquirer*, October 28, 2016, <http://globalnation.inquirer.net/148219/19b-in-financial-deals-from-japan> (accessed December 21, 2018).

⁶Allen Macatuno, "2 Japanese Naval Ships Arrive in Subic Bay for Goodwill Visit," *Philippine Daily Inquirer*, June 4, 2017, <http://newsinfo.inquirer.net/902517/2-japanese-naval-ships-arrive-in-subic-bay-for-goodwill-visit/> (accessed December 21, 2018).

⁷Reuters, "Southeast Asia Officers Board Japanese Ship for South China Sea Tour," *New York Times*, June 19, 2017, <https://www.nytimes.com/reuters/2017/06/19/world/asia/19reuters-japan-asean-defense.html> (accessed December 21, 2018).

⁸Prashanth Parameswaran, "Destroyer Visit Puts Japan-Philippine Military Ties in the Spotlight," *Diplomat*, February 2, 2018, <https://thediplomat.com/2018/02/destroyer-visit-puts-japan-philippines-military-ties-in-the-spotlight/> (accessed December 21, 2018).

⁹Renato Cruz De Castro, "Commentary: Australia is Philippines' Other Security Partner," *Philippine Star*, December 2, 2017, <http://www.philstar.com/news-feature/2017/12/02/1764248/commentary-australia-philippines-other-security-partner> (accessed December 21, 2018).

¹⁰"Status of Visiting Forces Agreement with Australia Ratified by the Philippines," Australian Embassy in the Philippines, July 26, 2012, <http://philippines.embassy.gov.au/mnla/medrel120726.html> (accessed December 21, 2018).

¹¹Forrest Green, "Australia and Philippines," and De Castro, "Commentary: Australia is Philippines' Other Security Partner."

¹²Ibid.

Australian forces provide substantial training for Philippine troops, coast guard personnel, and police, both in Australia and through Mobile Training Teams sent to the Philippines. About 100 Philippine military and coast guard personnel study in Australia under grants from the Australian Defence Force each year, while hundreds more receiving training from the Mobile Training Teams.¹³ Canberra also provides support for the Philippines' interagency National Coast Watch Center, which was established with U.S. support to boost information sharing among the various maritime stakeholders in the Philippine government.¹⁴

India's security cooperation with most of Southeast Asia is relatively low level compared to the other Quad members, with one important exception: Vietnam. Even though the United States has lifted its decades-long arms embargo on Vietnam and the two are slowly deepening their defense relationship, it remains difficult and in many cases impractical for the Vietnamese military to acquire major U.S. platforms. The Vietnamese military was built after the Russian model using Russian equipment and Russian training. It is no easy matter to plug in U.S. (or Japanese or Australian) platforms in such a system. The U.S. and Japan are working around this by focusing mainly on things like radars, patrol aircraft, and coast guard vessels—areas where Vietnamese capacity is extremely low and so it is relatively easy to start from scratch with non-Russian equipment. But India is not hamstrung in the same ways because it has spent decades producing (or co-producing) defense equipment based on Russian models. It also has a long-standing security relationship with Vietnam for this very reason.

Vietnam's largest major defense procurement in recent years has been its six Kilo-class submarines from Russia. In support of that new capability, New Delhi has provided considerable training for Vietnamese submariners. Vietnam has also been eager to purchase advanced missile platforms from India, with both the medium-range Akash and the long-range Brahmos systems discussed. It is unclear whether those transfers will ever actually be finalized, but the Vietnamese interest is clearly in attaining an increased capacity to strike Chinese assets in the South China Sea. Additionally, Indian navy ships make regular port calls in Vietnam and undertake low-level exercises with Vietnamese counterparts—exercises that could be made more robust in future.

All of this effort toward boosting capacity is welcomed and necessary within Southeast Asia. But there are clearly limits to the absorptive capacity of the claimant states, and better coordination among the four Quad partners could go a long way toward ensuring that assistance is effective in achieving the goal of keeping the Southeast Asian states from being pushed out of their waters and airspace by an increasingly assertive China.

Asserting FON

All four members of the Quad have expressed an interest in preserving FON, both for civilian and military vessels, in the South China Sea. By doing so, they defend the rules-based order broadly but also push back against Chinese attempts to exclude outside powers from the first island chain and establish a sphere of influence. Given these expressed interests, concerted actions to assert FON in the South China Sea should be high on the Quad's agenda. But doing so

¹³“Australia-Philippines Defence Cooperation.”

¹⁴Manhit, “Balancing National Security and Economic Priorities.”

will require careful calibration so as not to risk undermining the principles the members seek to uphold.

Public discourse around freedom of navigation in the South China Sea has become dominated since late 2015 by debate about the United States' Freedom of Navigation Program. This is understandable given the visibility of U.S. Freedom of Navigation Operations (FONOPs), but it has militarized and bilateralized the FON issue in a way that is both unhelpful and inaccurate. Correcting the record, both about FON in general and the U.S. program in particular, makes it clear that all the Quad members, and many like-minded states around the globe, already share U.S. concerns and undertake similar actions to address them.

The U.S. FON Program is not a military initiative—it is an interagency program run by the U.S. Departments of State and Defense. Under the program, the State Department examines foreign maritime laws and determines whether they potentially infringe on U.S. rights in violation of international law, including UNCLOS. If they do, the State Department asks for clarification from the foreign state in question and, if it remains unsatisfied that the law does not violate FON, it makes diplomatic representations.

Only after diplomatic efforts fail does the FON Program move to the operational level. Lawyers from both State and Defense determine the best means to operationally challenge the excessive maritime claim in question, and then U.S. Navy, Air Force, or Coast Guard undertake those challenges based on the availability of assets. These challenges are not meant as saber-rattling or deterrence—they are intended only to establish a record of U.S. non-compliance with excessive claims (an important action should they ever lead to negotiation or arbitration) and exert pressure on the state in question to modify them. But even at this stage, FONOPs are only one aspect of the operational program. FONOPs are actions undertaken with the primary or sole purpose of challenging an excessive maritime claim. But just as important, and far more numerous, are “other FON-related activities” which have some other primary purpose (intelligence collection, necessary transit, or military exercises, etc.) that have the added benefit of challenging an excessive claim.

While no other state undertakes anything exactly analogous to FONOPs, most do engage in actions similar to the FON Program more broadly. All members of the Quad, and basically every country around the globe, consults with foreign states on legislation that might infringe on their rights and raises objections or demands clarification where necessary. This is why every nation with a maritime dispute, whether in the South China Sea, East China Sea, or anywhere else—makes diplomatic representations to object to all actions other parties take to assert their competing claims or restrict access by others. Doing so creates a public record of non-compliance. It is also why all three other members of the Quad, along with more than 40 other states around the world, backed the Philippines' arbitration case against China and called for compliance—to register their objections to excessive Chinese claims and increase pressure on Beijing to modify them.

Nor is the United States alone in operationally asserting FON. None of the other Quad members engages in operations whose *sole* purpose is to challenge excessive claims, like U.S. FONOPs, but all undertake “other FON-related activities.” Australia, for instance, continues regular air and

naval patrols in the South China Sea despite Chinese objections. Under Operation Gateway, the Royal Australian Air Force conducts dozens of patrols over the Indian Ocean and South China Sea annually. When over contested waters, these patrols regularly ignore radio warnings from China's outposts.¹⁵ These activities received a public spotlight in December 2015 when an Australian P-3 Orion surveillance aircraft was warned by Chinese forces to leave airspace near the Spratlys. The Australian response, captured over radio by a BBC crew on a nearby civilian flight, was almost identical to the script used by U.S. counterparts in similar situations.¹⁶

India and Japan do not operate in the South China Sea as frequently as Australia, much less the United States, but both have been increasing their presence there and asserting their right to do so despite Chinese objections. In one widely reported example, in July 2011 the Indian navy's INS *Airavat* was traveling from Nha Trang to Haiphong, Vietnam, when it received a radio warning from the Chinese navy that "You are entering Chinese waters. Move out of here."¹⁷ The *Airavat* ignored the warning and continued on its way.

¹⁵Andrew Greene, "South China Sea Patrols Will Continue Despite Rising Military Tensions, RAAF Says," ABC News, June 19 2016, <http://www.abc.net.au/news/2016-07-20/south-china-sea-raaf-patrols-to-continue/7643444> (accessed December 21, 2018), and Shannon Tiezzi, "'Nearly All' Australian Patrols in South China Sea Are Challenged by China," *Diplomat*, February 5, 2016, <https://thediplomat.com/2016/02/nearly-all-australian-patrols-in-south-china-sea-are-challenged-by-china/> (accessed December 21, 2018).

¹⁶Jim Sciutto, "Exclusive: China Warns U.S. Surveillance Plane," CNN, September 15, 2015, <http://www.cnn.com/2015/05/20/politics/south-china-sea-navy-flight/index.html> (accessed December 21, 2018).

¹⁷Indrani Bagchil, "China Harasses Indian Naval Ship on South China Sea," *Times of India*, September 2, 2011, <https://timesofindia.indiatimes.com/india/China-harasses-Indian-naval-ship-on-South-China-Sea/articleshow/9829900.cms> (accessed December 21, 2018).