

Building a Common Cause in the South China Sea

by

Lieutenant Colonel Michael F. Arnone
United States Marine Corps

Under the Direction of:
Professor Albert Lord



United States Army War College
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Abstract

The United States must leverage all elements of national power with an emphasis on the countries of Vietnam, Indonesia, and Malaysia to blunt Chinese expansion within the South China Sea. Specifically, China must cease their destabilizing activities, be brought into compliance with the international rules based order, and become a partner for stability and continued economic development within the region. To accomplish this, the United States must set conditions through diplomatic efforts, an information campaign, cooperative military engagements, and economic agreements to facilitate the establishment of a cooperative framework that reduces tensions within the South China Sea.

Building a Common Cause in the South China Sea

The current strategic environment within the South China Sea has been marked by Chinese expansion that has threatened global commerce, decreased regional stability, and has been counter to the international laws that have provided economic growth, within this region, for almost 70 years.¹

Diplomatically, the environment has been dominated by questions regarding the interpretation of the United Nations Convention on the Law of the Sea (UNCLOS). UNCLOS came into effect in 1994 and provides a set of regulations that govern the passage of shipping within the maritime domain. The interpretation of UNCLOS has served as a point of friction between China and the United States. The United States believes it has the right, per UNCLOS to conduct military activities, such as surveillance and presence patrols, within a nation's Exclusive Economic Zone (EEZ). A nation's EEZ extends 200 miles from their cost line and generally follows the continental shelf. UNCLOS states in article 58 that nations have the right for lawful use of the seas for activities associated with ships and aircraft.² Additionally, article 58 references article 87 in order to define freedom of the high seas. Article 87 goes on to state that the freedom of flight and navigation are open to all states.³ It is important to note that freedom of navigation, under UNCLOS, is not only applicable to the sea domain, but to the air domain as well. While UNCLOS specifically permits freedom of navigation, surveillance and military survey within the EEZ, China sees any military actions within these domains as "unfriendly" and "hostile."⁴ This issue was highlighted in 2001 when a Chinese fighter collided with a U.S. Navy EP-3 and again in 2009 when Chinese paramilitary ships harassed the USNS Impeccable, which was conducting underwater

surveillance.⁵ The dispute over the interpretation of UNCLOS has been heightened with China's implementation of the Nine-Dash Line (NDL).

China's NDL is a line that encompasses 80 percent of the South China Sea and lays claim to many of the 180 named and unnamed land forms within the region.⁶ Additionally, China's NDL cuts through the EEZ of the Philippines, Brunei, Malaysia, Indonesia, and Vietnam in an attempt to lay claim to the natural resources rightfully owned, in accordance with the Law of the Sea, by the above-mentioned countries. China links its sovereign right to the establishment of the NDL, to *The Map of the Location of the Islands in the South China Sea* that was published by China in 1948.⁷ The line follows the divide between the continental shelf and the deep ocean. China points to the discovery of ancient Chinese pottery on islands within the NDL and old fishing maps that show this area as belonging to China.⁸ China also asserts that during the time the map was first published no countries objected.⁹ It was not until natural resources, specifically oil and gas reserves, were discovered that nations had an issue with the location of the NDL.¹⁰ China views the NDL and the islands that reside within this area as sovereign territory.

Militarily, China has created de-facto islands through land reclamation within the Spratly Islands and establish military facilities on those islands. China is not the only nation embarking on land reclamation projects. Vietnam has reclaimed a total of 80 acres, Malaysia has created 70 acres, the Philippines have reclaimed 14 additional acres, and Taiwan has added 8 acres in order to assert their claims of sovereignty and increase their ability to project power within the region.¹¹ By comparison, China has reclaimed 3,200 acres and worked to militarize those newly formed islands in an

attempt to exert greater influence within the region.¹² China has built 10,000 foot runways on three of these islands, constructed large ports, and deployed anti-aircraft missiles on Woody Island.¹³ Additionally, claimants have occupied many existing land features with military or paramilitary forces, which could enable a country to effect global commons and hinder the international economic system that promotes opportunity and prosperity.¹⁴ Exacerbating this issue is the increase in maritime capability, by many nations within the region which has added to the complexity of the strategic environment.

China, Japan, and Vietnam have all embarked on a significant modernization program to increase their maritime capability. China possesses the largest number of vessels in Asia, with more than 300 surface, submarines, amphibious ships, and patrol craft.¹⁵ Additionally, they have created a Coast Guard that is composed of over 200 ships in order to enforce its maritime claims.¹⁶ Japan is improving its capabilities and realigning maritime assets closer to the disputed Senkaku Islands located in the East China Sea, which are also claimed by China.¹⁷ Vietnam, which has a fleet numbering 92 ships (37 naval ships, 55 maritime law enforcement ships), is looking to procure six Russian built Kilo-class submarines, and frigates.¹⁸ Additionally, they are considering the purchase of six used coast guard surveillance ships from Japan.¹⁹ This expansion in military capability will only increase the likelihood of miscalculation and the potential for conflict, which will ultimately adversely affect U.S. national interests within the region.

Economically, the region has been marked by competing claims of sovereignty over land features in an attempt to harvest the abundant nature resources within the South China Sea. There are three primary disputes over sovereignty within the South

China Sea.²⁰ The first dispute is among China, Vietnam, and Taiwan over the Paracel Islands which China has occupied since 1974.²¹ The second issue is over the Scarborough Shoal in which China, Taiwan, and the Philippines all claim as sovereign territory.²² The third dispute is in regards to the Spratly Islands, which encompasses more than 200 named and unnamed islands, reefs, shoals, and rocky outcroppings within the South China Sea.²³ These competing claims of sovereignty, which carry certain rights to the natural resources within 12 miles of the land feature or 200 miles, if deemed an island, by the establishment of an EEZ, can provide tremendous natural resources to the claimant.²⁴ The South China sea accounts for 10 percent of global fisheries production, and surveys reveal approximately 11 billion barrels of oil and potentially 190 trillion cubic feet of natural gas reserves.²⁵ These land forms are claimed in whole or in part by China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei. Economic development has been stunted due to these competing claims of sovereignty. The uncertainty of ownership has hindered coastal countries ability to engage energy exploration firms to exploit the resources that reside within their respective EEZs per the UNCLOS.²⁶

U.S. National Interests within the South China Sea

The United States' enduring national interests are security, economic prosperity, respect for universal values, and the promotion of a rules based international order. Specifically, the interests of the United States within the South China Sea are focused on freedom of navigation and the promotion of a rules based order.

There are two components to freedom of navigation within the South China Sea. The first is regarding commercial shipping which is of vital interest to the United States.²⁷ More than half of the world's merchant fleet tonnage passes through the South

China Sea annually.²⁸ Additionally, almost a third of global crude oil and over half of global liquefied natural gas passes through this region.²⁹ Finally, these shipping lanes account for the transportation of \$5.3 trillion dollars in goods each year, of which, U.S. trade accounts for \$1.2 trillion dollars.³⁰ It is clear that the economic security and prosperity of the United States can be severely affected by the closure or disruption of this key artery. One must also understand that China is just as reliant, if not more, on these shipping lanes than the United States. More than 80% of China's oil, that is imported from the Middle East, and the preponderance of goods being shipped from Australia pass through this region.³¹ It is important to note that China has never taken actions to hinder maritime trade and they have no interest in disrupting commercial commerce through the South China Sea.³² However, China does take issue with military activities within its EEZ as established by the implementation of its NDL and the creation of manmade islands in the Spratlys.

The United States ability to operate, within the rules set forth under UNCLOS, enables the U.S. to reassure partners and dissuade adversaries which is in America's vital national interests to ensure security to our citizens and allies alike. China does not accept the right of nations, more specifically, the United States to conduct military activities within its EEZ. China's interpretation of UNCLOS regarding military operations within an EEZ and their implementation of the Nine-Dash-Line will increase the likelihood of conflict and jeopardize the rules based order in the South China Sea.

The United States has the enduring interest of promoting the rules based international order that promotes security and opportunity. China has shown a disregard to the rules based international order with its interpretation of actions allowed

within an EEZ as outlined in UNCLOS. This interpretation, which restricts freedom of navigation for the U.S. Navy, is not in accordance with the rules based international order. Additionally, the International Tribunal in The Hague ruled against China's action in the South China Sea on July 12, 2016. Specifically, the Tribunal rejected China's claim that it had historic shipping and fishing rights to the islands within the South China Sea that served as their bases for China's establishment of the NDL.³³ Additionally, the Tribunal rejected China's claim of establishing an EEZ, with the associated 12 nautical miles of territorial sea, around their man-made islands.³⁴ Finally, the Tribunal found that China had caused extensive environmental damage to areas surrounding their land reclamation projects.³⁵ China refused to recognize the authority of this Tribunal and in effect called into question the legitimacy of the ruling.

China's Interests within the South China Sea

In 2011 China released a white paper entitled "China's Peaceful Development 2011" which outlines the following vital interests: state sovereignty, national security, territorial integrity, national reunification, China's political system established by the constitution and overall social stability, and basic safeguards for ensuring sustainable economic and social development.³⁶ Specifically, China's interests within the South China Sea are related to economic development, security, and maintaining their perceived sovereign right over territory within the region.³⁷

China views its continued economic development and security tied to the resources located in the South China Sea. This has been described as China's ocean economy that not only encompasses traditional ocean industries such as fishing and transportation but includes energy exploration, ocean biology, and medicine.³⁸ It is not lost on the Chinese that the South China Sea has tremendous gas and oil reserves that

will greatly assist in driving their economy and establishing a secure source of energy. China's interests within the South China Sea are tied to its vital national interests of ensuring sustainable economic development.

To understand China's link to security and control of the South China Sea, one must look back in history. In the past China viewed itself as a great sea power dating back to 221 BC.³⁹ During that time, China established trade routes from Korea to the Indian Ocean. Those routes expanded to include the Red Sea and the East Coast of Africa. However, not long after the establishment of the Ming Dynasty in the 15th Century, the government adopted a policy of "turn away from the sea."⁴⁰ The Chinese link this policy to the arrival of foreign powers such as Great Britain and Japan from 1840-1945.⁴¹ As a result, China sees the requirement for a strong maritime presence and by default control of the South China Sea as an integral part of their national security. Reinforcing this idea is the understanding that 90 percent of their trade is dependent on the sea lines of communications that travel through this region.⁴² Combining the historical perspective with the economic reliance on the sea lines of communications it is easy to understand how China links control of the South China Sea to their national security and economic development.

Vietnam's Interests within the South China Sea

Vietnam has economic and security interests within the South China Sea. Its long coast line, and its associated EEZ, spans almost all of the western stretch of the disputed area within the South China Sea. This region is a major shipping lane, it has considerable oil and natural gas reserves, and is a vital fishing area for Vietnam.⁴³ It is estimated that almost half of Vietnam's GDP is linked to maritime activity.⁴⁴ Specifically, in 2010 Vietnam exported \$5 billion dollars' worth of crude oil.⁴⁵ Much of this production

is from the Bach Ho offshore oil and natural gas fields in Cuu Long Bay. However, this field is in terminal decline and if Vietnam does not expand its energy exploration efforts in the near future they will become an energy importer.⁴⁶ As the energy reserves decline, Vietnam will turn to the Paracel and Spratly Islands to exploit their known natural gas and oil deposits. However, this expansion will be hampered by competing claims of sovereignty among numerous countries and increased Chinese naval activity within this region. The seafood industry is another vital point of interest for Vietnam. In 2010 Vietnam exported \$3.6 billion dollars' worth of seafood and over 4 million people rely on this industry for their livelihood.⁴⁷ The South China Sea will continue to be of vital interest to Vietnam in order to drive its rapidly expanding economy.

Vietnam's second interest within the South China Sea is one of security. Vietnam is a long and narrow country with major population centers located in the littorals. In order to unite two major population clusters, they must have the ability to secure the center of the country. The Paracels and Spratly Islands lay just to the East of Vietnam. They believe controlling these islands will create a buffer and ultimately protect the center of their country.⁴⁸ Vietnam claims sovereignty over both sets of islands. This was highlighted by Vietnam's Minister of Foreign Affairs who stated "First and foremost, I would like to reaffirm Vietnam's indispensable sovereignty over the Hoang Sa (Paracel) and Truong Sa (Spratley) Archipelagos."⁴⁹ Vietnam traces its sovereignty over the Paracel and Spratly Islands to the seventeenth century when they established state functional control over these areas.⁵⁰ In the 1920s France occupied portions of both island chains on behalf of Vietnam until after World War II.⁵¹ In the 1950's China took control of the eastern portion of the Paracels while Vietnam replaced France on the

western portion of the Islands.⁵² In 1974 China forcibly took full control of the Paracel Islands after a brief battle with the Vietnamese Navy.⁵³ In 1970 the Philippines entered into the Spratly Island dispute and Malaysia took control of a small area in 1983.⁵⁴ China became involved in the Spratly Islands in 1988 after a naval confrontation with Vietnam. To assert their claim of sovereignty and protect their interest, Vietnam has embarked on a land reclamation project within the Spratlys. As of November 2016, it is believed that Vietnam has built a 1.2 km long runway, that's able to support various types of military aircraft, and added 80 acres of land to their occupied islands within the area.⁵⁵

Malaysia's Interests within the South China Sea

Malaysia has extensive economic interests within the South China Sea. The energy industry makes up approximately 20 percent of their GDP and Malaysia is attempting to position itself as Asia's top energy player by 2020.⁵⁶ Within their EEZ, which overlaps China's NDL, the country holds an estimated reserve of 5 billion barrels of crude oil and 80 cubic feet of natural gas.⁵⁷ Malaysia has not filed a legal claim against China's NDL and prefers to pursue these differences diplomatically.

China and Malaysia hold close economic and cultural ties. Overall trade between the two countries is approximately \$100 billion dollars, with Malaysia holding a \$9 billion-dollar surplus for 2015.⁵⁸ However, it is important to note that Malaysia's surplus has dropped \$25 billion dollars in the last four years.⁵⁹ This is primarily due to an increase in Chinese imports. Additionally, they have increased military ties, with Malaysia purchasing four Chinese large patrol vessels, which will enable Malaysia to more effectively patrol their coastal waters.⁶⁰ This requires Malaysia to be diplomatically cautious with China when asserting sovereignty claims over disputed territory in the South China Sea. This was highlighted in March of 2016 when 100 Chinese vessels

were discovered by the Malaysian Maritime Enforcement Agency (MMEA) operating around Luconia Shoals, which are claimed by Malaysia.⁶¹ There have been other incidents in which Chinese Coast Guard vessels are alleged to have confronted MMEA ships operating in the area.⁶² These shoals, which are rich in natural resources such as fish and oil, are located 84 miles off the coast of Malaysia.⁶³ However, China has asserted its sovereignty over this area and views this region as the southern tip of their territory per its stated NDL. Some think China is taking Malaysia for granted and are advocating a harder line in order to protect their national interest within the South China Sea.⁶⁴

Indonesia's Interests within the South China Sea

Indonesia has economic interests within the South China Sea due to the abundance of natural resources, including the fertile fishing grounds that are located off the coast of Indonesia. In 2012 fishery production in Indonesia reached over 8.9 million tons and accounted for 3 percent of the nation's GDP.⁶⁵ In 2013 the fishing industry was responsible for over \$3.5 billion dollars of exports.⁶⁶ Roughly 6.4 million people are engaged in this industry and operate more than 180,000 fishing vessels.⁶⁷ The fishing industry is of vital importance for an archipelago nation that is composed of over 6,000 inhabited islands and a coastline that stretches more than 54,000 km.⁶⁸

China's stated NDL cuts through Indonesia's EEZ and has been a point of friction among the two nations. Chinese flagged fishing vessels often operate within Indonesia's EEZ. In June of 2016 the Indonesian Navy had to chase 12 Chinese flagged fishing vessels out of their established EEZ.⁶⁹ In one incident, a Chinese fishing vessel was brought to shore and upon searching the vessel, a Chinese map was discovered that annotated Indonesia's EEZ.⁷⁰ On that map, designated fishing areas were marked

within Indonesia's EEZ.⁷¹ This highlights China's disregard for Indonesian sovereignty and the threat the Chinese pose to Indonesia's vital fishing industry.

Indonesia is not a claimant in the South China Sea dispute, since they do not claim any islands in the area in question. Their desire is to remain impartial and to serve as an honest broker among nations with competing claims.⁷² Regarding China's NDL, Indonesia does not recognize the legitimacy of this claim, which cuts through their EEZ. This policy was reinforced by President Joko Widodo during a visit to Japan when he stated that China's NDL had no bases in international law.⁷³ Indonesia's desire to remain impartial will become more difficult as Chinese fishing vessels continue to violate Indonesian sovereignty.

China as Protagonist

The overarching issue, is China's disregard for the current international rules based order that has provided stability and prosperity to the region for the past 60 years. This has been exemplified by China rejecting the jurisdiction of the Permanent Court of Arbitration (PCA) in The Hague to rule on a case brought by the Philippines regarding the legitimacy of China's NDL. One hundred and twenty Countries, to include China, have recognized the authority of the court to arbitrate disputes and serve as a vehicle for nations to resolve issues peacefully since 1899.⁷⁴

Compounding the issue is China's desire to supplant the current rules based international order with one that favors Chinese interests. This is exemplified by the establishment of the Asia Infrastructure Investment Bank (AIIB) that is intended to replace the World Bank and more broadly call into question the Bretton Woods system that was put into place after World War II. While the World Bank places certain obligations on lenders, the AIIB does not which makes it a more attractive option for

many nations. For over 50 years the international community has used the World Bank to modify undesirable behavior of perspective borrowers. Without this option, to peacefully promote social and environmental norms, the international community will have reduced leverage to modify undesirable behavior.

Future Forecast

Trends indicate that China will continue to disregard the international rules based order. As previously discussed, China continues to violate the EEZs of Indonesia and Malaysia in an effort to harvest natural resources. These incursions into the various EEZs are often accompanied by Chinese naval power, raising the likelihood of state on state conflict. Furthermore, China has not slowed their land reclamation projects within the Spratly Islands, even though they have drawn considerable criticism for their actions. Finally, in reaction to the Hague's ruling on 12 July 2016, China dispatched its navy to conduct exercises in the disputed waters.⁷⁵ China's defense Minister, Chang Wanquan, called for a "people's war at sea" and China quickly instituted a law allowing those caught fishing in the disputed area to be arrested and jailed.⁷⁶

China's effort to supplant the international monetary system, to one more favorable to their interests, show no signs of slowing. China sees the AIIB, which it holds majority interests in, replacing the current international monetary system that is dominated by the United States. Additionally, China is expanding its economic influence by redefining trade routes through its One Belt One Road initiative. Another initiative meant to increase Chinese influence, in a traditionally U.S. dominated region, is the construction of a canal in Nicaragua that will rival the Panama Canal. All of these various efforts are aimed at redefining the international rules based order to one that is more advantageous to Chinese interests.

Desired End State

It is possible, however, for China to become a cooperative member of the international community that recognizes and respects the rules based order. China is well positioned to not only be a regional power, but to be a positive force within the global community.

Once China ceases their destabilizing activities, they would be recognized diplomatically as a positive actor. This would ultimately assist them in increasing their influence within other regions such as Africa and South America. Informationally, China must foster a message of stability and strength as exemplified by their ancient culture. This information strategy would ultimately increase China's ability to use soft power when dealing with other nations. Once China becomes a cooperative member of the international community, China's military would serve as a vital partner in countering Violent Extremist Organizations, eliminating piracy in the South China Sea, and conducting Humanitarian Assistance and Disaster Relief Operations within the region. In pursuing this strategy, China's military would solidify its position as a regional power and a partner of choice for the global community. Economically, China would benefit dramatically once they embraced a spirit of cooperation. This spirit of cooperation would reduce tensions within the region, ultimately spurring economic development and increasing the overall prosperity of China.

The desired end state is for China to cease their destabilizing activities and become a positive actor within the international community. To achieve this, the United States must facilitate the establishment of an economic and military cooperative framework that reduces tensions within the South China Sea.

Policy Options

The United States must focus all elements of national power to modify Chinese behavior. Specifically, diplomatic, informational, military, and economic instruments must encourage Indonesia, Malaysia, and Vietnam to counter Chinese behavior in the South China Sea.

Diplomatic Options

The United States must have the diplomatic objective of placing pressure on China to cease their destabilizing rhetoric and intimidating activities. To accomplish this, the United States should focus on promoting the international rule of law. In doing so, The U.S. must ratify UNCLOS to show its commitment to the rules based international order. Opponents of UNCLOS are concerned that if the U.S. ratifies this document, America would relinquish a portion of its sovereignty to international organizations and tribunals. However, in order for the United States to use UNCLOS as a basis for objecting to China's actions within the South China Sea, the U.S. must ratify UNCLOS. Additionally, The United States already follows the rules set forth in UNCLOS and formally ratifying it would provide greater weight to this document. There are also concerns that signing UNCLOS would expose the United States to frivolous lawsuits from a third party or environmentalist. While this is a legitimate concern, The United States must assume this risk to use this document as a diplomatic vehicle to modify Chinese behavior. Furthermore, the United States should never be concerned with justifying its actions to the international community if America maintains the moral high ground.

Upon ratifying UNCLOS, the United States can object to China's claims of sovereignty over rock formations that are submerged at high-tide, by invoking article

121 of this document. Moreover, the United States can challenge China's establishment of an EEZ around its manmade island within the Spratlys by referring to article 60 of UNCLOS which states that manmade features do not have the right to the establishment of an EEZ. This would be a shift in current U.S. policy that states the United States is not a claimant in the South China Sea dispute. However, to increase pressure on China, a global power such as the United States, must directly challenge Chinese actions in the international courts. Furthermore, the United States must encourage Malaysia and Vietnam to join efforts in challenging China's illegitimate claims in the South China Sea.

Vietnam and Malaysia must cooperate to bring joint diplomatic pressure on China. While it is easy for China to deal with one claimant, as they did with the Philippines, it is much more difficult for China to contend with a unified block of two countries. Additionally, the United States should encourage Indonesia to serve as a third party in this diplomatic dispute, a role Indonesia would like to play. If efforts are unsuccessful in forcing China to cease their destabilizing activities, Indonesia, Malaysia, and Vietnam should be encouraged to put forth a case at the International Tribunal of The Hague. While China has demonstrated its disregard for the international court system, this action would increase diplomatic pressure and serve to unify the parties concerned.

Information Options

Informationally, the United State should have the objective of garnering international condemnation for Chinese actions within the South China Sea. Specifically, the U.S. should focus the world's attention on the environmental damage done by China's land reclamation projects and their fishing industry. The South China

Sea hosts 76 percent of the world's coral species and 37 percent of reef-fish species.⁷⁷ Over the last 20 years there has been documented cases of China using large scale fishing practices that include cyanide, and explosives.⁷⁸ This industry has targeted endangered sea turtles, giant clams, giant oysters, sharks, eels, and large pieces of ornamental coral.⁷⁹ Additionally China's land reclamation projects within the Spratly Islands have been shown to be an ecological disaster. Compounding this is China's willful disregard for international law that requires environmental impact assessments to be conducted prior to any land reclamation project. The International Tribunal of The Hague stated that China's land reclamation project had "caused permanent and irreparable harm to the coral reef ecosystem."⁸⁰

The United States should embark on a focused information campaign directed at Indonesia, Malaysia, and Vietnam highlighting the environmental damage perpetrated by Chinese actions. It must be made clear to the peoples of these nations the second and third order impacts of Chinese actions on the fishing industry. This would create an outcry from the people to their respective governments to take action in order to stop China's activities within the region. Additionally, the United States should explore opportunities to exchange environmental scientists with Vietnam, Malaysia, and Indonesia to share best practices for protecting valuable fisheries and highlight U.S. efforts to protect the environment. Highlighting the impact of China's action, can serve to mobilize the public opinion of Indonesia, Vietnam, and Malaysia and force their respective governments to take action within the international community.

Military Options

Militarily, The United States should embark on a strategy that enhances partner nation capacity, provides increased access, and promotes interoperability. While the

above-mentioned objectives should be focused on Indonesia, Malaysia, and Vietnam, the United States should exploit any opportunity it has to work with China's armed forces. This effort would assist in easing tensions and promote a spirit of cooperation and achieve security within the region.

Indonesia has over 470,000 personnel under arms with an additional 400,000 in their reserve component and an overall power ranking of 14th worldwide.⁸¹ In order to enhance partnered nation capacity, the United States should transfer one Oliver Hazard Perry class guided missile frigate, per the Asian-Pacific Maritime Security Initiative Act of 2016 to demonstrate U.S. commitment to Indonesia. Additionally, the U.S. should leverage Foreign Military Financing (FMF) to facilitate Foreign Military Sales (FMS) of coastal defense and maritime domain awareness capabilities to enhance Indonesia's ability to protect their sovereign interests within their EEZ.

In order to increase access to Indonesia, Key Leader Engagements (KLEs), at the strategic level, should shape the environment for the execution of future infrastructure improvement projects. These projects, could range from port improvements to civic activities, in conjunction with the Indonesian military, to improve services to the local population. Finally, KLEs should discuss the possibility of pre-positioning Humanitarian Response / Disaster Relief (HA/DR) assets to increase response time and demonstrate U.S. commitment to the region.

Interoperability will be accomplished through Theater Security Cooperation (TSC) engagements focused on HA/DR Operations. These engagements should be held at the operational level and take the form of table top exercises. This would require a minimal footprint and assuage Indonesian fears of U.S. meddling. Additionally, through

FMS the United States can provide increased interoperability with Indonesia. Military Training Teams (MTT) can be used in conjunction with FMS to increase interoperability and over-all capabilities of the Indonesian military.

Malaysia's military ranks 34th in size over-all and has more than 100,000 personnel under arms with a reserve component numbering 290,000 personnel.⁸² The United States must pursue an aggressive FMS program to increase capacity and counter Chinese actions to provide military capabilities to the Malaysian Navy. Specifically, the United States should immediately provide one Oliver Hazard Perry class guided missile frigate. Currently Indonesia only has two frigates and this would be a dramatic increase in capability. Additionally, the U.S. should explore FMS focused at increasing the numbers of coastal defense crafts within the Malaysian Navy. Finally, the U.S. should review options for increasing the number of mine warfare craft, maritime command and control systems, and naval aviation assets within the Malaysian Navy. These efforts will not only increase Malaysia's capacity but will counter China's sale of four large patrol vessels to the Malaysian Navy.

The United States should leverage TSC engagement, not only to increase partnered nation capacity, but to provide access to the region. Specifically, the U.S. should leverage the U.S. Coast Guard to provide training to the Malaysian Maritime Enforcement Agency on Visit Board Search and Seizure (VBSS) and counter narcotics operations. Additionally, HA/DR exercises with Indonesia should include Malaysia. This would increase interoperability, and access.

Vietnam has 415,000 personnel under arms and over five million personnel in the reserve component.⁸³ While Vietnam's land power is considerable their naval forces

could benefit from FMS in coastal defense crafts. Additionally, the United States should provide one Oliver Hazard Perry class guided missile frigate, per the Maritime Security Initiative. All FMS should be accompanied by MTTs and support personnel to facilitate operations and maintenance of designated items. Additionally, the U.S. should promote TSC engagements at the tactical level with the objective of setting conditions for larger operation engagements with U.S. forces. Finally, the United States should make a concerted effort to facilitate Vietnamese military personnel attending all levels of U.S. schools to not only increase capacity but to share best practices.

KLEs at the strategic level should focus on increasing access for U.S. forces. Specifically, opportunities should be explored to open permanent naval facilities within Vietnam. This would increase America's ability to project power within the South China Sea and serve as a platform to conduct additional TSC engagements to increase the military ties between the United States and Vietnam.

Interoperability should be addressed through operational level table top exercises. Additionally, Vietnam should be invited to participate in all HA/DR exercises with Indonesia and Malaysia. It is imperative that every opportunity is taken to use multilateral exercises to increase interoperability among Vietnam and its neighbors.

The United States should look to increase cooperative military to military engagements with China. While the United States has had success in conducting bilateral engagements with China on medical issues, this must be expanded to counter piracy and counter narcotics at the tactical and operational level. Specifically, the U.S. must look to work with China to conduct counter piracy operations in the Strait of Malacca to emphasize the importance of the global commons. Additionally, the United

States should explore the possibility of hosting a joint, U.S. and China, regional HA/DR response exercise. Pacific Partnership can be used as the frame work to facilitate this exercise. China should also be encouraged to continue their participation in RIMPAC and possibly increase their role in this exercise. Finally, the United States must look outside of the Pacific Theater for opportunities to engage with the Chinese military when shared interests are present. Specifically, there may be opportunities to conduct counter piracy operation in the Gulf of Aden and the Gulf of Guinea.

Economic Options

The United States must take a regional approach to developing economic option to address the current issues within the South China Sea. The promotion of international organizations, the implementation of joint development consortiums, and the establishment of Free Trade Agreements (FTA) must be the economic objective to achieve stability within this region.

There are significant fishing interests within the South China Sea. The United States should promote an international organization, through the United Nations, to administer the waters surrounding the Spratly Islands. While no one country will claim sovereignty over the fishing rights to this region, an international organization could regulate practices and establish quotas to ensure this vital resources is not depleted. UNCLOS, article 123, provides precedents for this organization. The article states that nations should work through regional organizations to “coordinate the management, conservation, exploration and exploitation of the living resources of the sea.”⁸⁴ It is imperative that all claimants participate in the development of such an organization. The United States must encourage Indonesia to take the lead in developing such an organization, considering their unique position of not being a claimant.

Regarding the harvesting of hydrocarbon resources within the region, some have suggested the implementation of a Joint Development Area (JDA). However, this would require nations to set aside their competing claims of sovereignty over a designated area. Additionally, nations must agree to the boundaries of the designated JDA. These issues could be overcome through cooperative exploration by private and state run entities. The United States should encourage private industry to partner with national interests to harvest these valuable resources. The monetary gains from such a venture would be proportion to the respective entities investment. By embracing this model, private industry would be less apprehensive in committing resources to energy exploration within the disputed area.

In order to increase U.S. influence within the region, the U.S. must pursue FTAs with Indonesia, Malaysia, and Vietnam. Currently, the United States maintains only 20 FTAs.⁸⁵ By establishing FTAs with the above-mentioned countries, the United States would be sending a clear message of support and cooperation for its partners within the region. Additionally, FTAs would encourage economic growth and promote U.S. investment within Indonesia, Malaysia, and Vietnam. By extension, U.S. influence would increase within these respective countries and act to counter to Chinese interests.

Conclusion

China's blatant disregard for the International Tribunal of The Hague and the rules set forth in UNCLOS are only fanning the flames of tensions within the South China Sea. China must recognize the authority of the international rules based order and once they accept this reality, the global community can peacefully resolve the disputes within the South China Sea.

The United States must utilize all elements of national power to achieve its desired end state. Diplomatically, the U.S. must place pressure on China to cease destabilizing rhetoric and intimidating activity. To do this, the U.S. must ratify UNCLOS and encourage Vietnam and Malaysia to jointly file a claim against China's NDL. While these actions will not force China to renounce its NDL, it will make its expansion unlikely. Informationally, the United States must highlight the environmental impact of China's land reclamation projects in order to garner international condemnation for their actions in the South China Sea. Militarily, the U.S. must work to promote partnered nation capacity through TSC and FMS, increase access through KLEs, and facilitate interoperability through joint exercises. Economically, The United States should promote international organization for managing the resources within the region and facilitate the establishment of FTAs to increase our influence with Indonesia, Vietnam, and Malaysia. Ultimately these actions will facilitate an environment for the creation of an economic and military cooperative framework that will reduce tensions within the South China Sea.

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