



Statement before the
House Committee on Transportation and Infrastructure
Subcommittee on Coast Guard and Maritime Transportation
Hearing on “The International Role of the U.S. Coast Guard”

***“U.S. Coast Guard cooperation with
Southeast Asia: Maritime Challenges
and Strategic Opportunities”***

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Chairman Maloney, Ranking Member Gibbs, and other distinguished members of the Subcommittee, thank you for the opportunity to testify before you. The strategic importance of Southeast Asia to the United States is often underappreciated. Southeast Asia lies at the heart of the Indo-Pacific, and vital sea lanes of communication that connect the Indian Ocean to the west with the Pacific Ocean to the east flow right through the region. These critical waterways include the South China Sea where one third of global shipping passes, the Malacca Straits which is one of the world's busiest waterways, as well as the Sulu Sea, which is both a hotbed of transnational crime and the focus of emerging regional cooperation in the form of joint patrols conducted by Indonesia, Malaysia, and the Philippines. Aside from its geostrategic location, the region provides critical ballast for a rules-based order through its regional organization, the Association of Southeast Asian Nations, or ASEAN, which has led the creation of regional security and economic architecture that convenes the major powers of the region and helps establish "rules of the road" for good behavior. ASEAN norm-setting and ASEAN-led regional dialogues provide somewhat of a bulwark against China's growing assertiveness in the region. Because of Southeast Asia's pivotal geostrategic role in the Indo-Pacific, it has become the fulcrum of emerging U.S.-China strategic competition, and yet U.S. engagement with countries in the region does not always match its strategic significance.

Maritime challenges faced by Southeast Asian littoral states: Chinese grey-zone coercion

A fully integrated and well-resourced Indo-Pacific strategy for the U.S. would place a high priority on maritime cooperation with the littoral states of Southeast Asia to help them address the serious challenges they face in the maritime domain. These challenges include, first and foremost, protecting their sovereignty and their ability to monitor maritime activity, access natural resources, and protect the marine environment within their territorial waters and EEZs – all of which are under growing threat from China's increasing maritime assertiveness. Vietnam, the Philippines, Indonesia and Malaysia in particular have seen growing Chinese encroachment into their territorial waters and around disputed maritime claims, as China seeks to aggressively assert its expansive and excessive sovereignty claims under its nine-dash line, which lays claim to about 90% of the South China Sea.

China relies heavily on its coast guard, along with its paramilitary maritime militia, to project power and assert its maritime claims through grey-zone tactics that seek to blur the line between civilian and military forces, and engage in coercive actions while remaining under the threshold of a military response. China has been rapidly expanding and modernizing its coast guard and today the Chinese Coast Guard (CCG) is the world's largest, boasting more hulls in its fleet than those of all regional neighbors combined. The CCG has 260 offshore patrol ships over 500 tons, including two massive 12,000 ton, 165-meter cutters that far outclass all other coast guard ships and navy vessels in Southeast Asia.

Chinese Coast Guard (CCG) ships have played a lead role in several recent grey-zone skirmishes in the region, including the political row sparked by the [incursions](#) by several CCG cutters escorting Chinese fishing vessels into Indonesia's EEZ off the Natuna Islands in December, and the standoff between Vietnam and China over the Vanguard Bank. My colleagues at the Asia Maritime Transparency Initiative (AMTI) at CSIS recently [reported](#) on a "dangerous, ongoing game of chicken" involving at least two CCG vessels leading an effort to harass and intimidate

Malaysian oil and gas exploration activities on the extended continental shelf claimed by both Malaysia and Vietnam. These episodes demonstrate the “new normal” in the South China Sea, in which “new energy development by Southeast Asian states anywhere within the nine-dash line will be met by persistent, high-risk intimidation from Chinese law enforcement and paramilitary vessels.”¹

Other maritime challenges: illicit activities at sea and disaster response

China’s maritime coercion in the South China Sea grabs most of the headlines and focuses the attention of U.S. policymakers and strategists, but governments in the region also face a spectrum of non-traditional security challenges linked to the maritime domain that often rise to the top of their policy agendas. At the top of the list are fish. The South China Sea is one of the most productive commercial fisheries in the world, supporting the livelihood of millions of Southeast Asians fisherman and those in related industries. Illegal, unreported and unregulated fishing (IUU) cause huge economic losses for these countries. It also contributes to the rapid depletion of fish stocks and declining biodiversity, causing perhaps irreparable damage to the marine ecosystem. China’s massive fishing fleet, supported by its Coast Guard, paramilitary maritime militia and naval forces, is a major contributor to the IUU problem, but fishing vessels from other regional neighbors are also involved. IUU vessel catches are estimated to be [over one third](#) of reported catches in Southeast Asia. Indonesian President Joko Widodo has made confronting IUU fishing [a top political priority](#), with his government putting the value of Indonesia’s stolen catch at \$20 billion a year.

Other forms of transnational crime, from trafficking to piracy, continue to challenge the maritime law enforcement capabilities of Southeast Asian governments. Maritime trafficking routes run throughout Southeast Asia and serve as a conduit for illegal trade flowing between China, Africa, and Southeast Asia itself. A [recent UN report](#) highlighted how transnational organized crime groups are expanding “aggressively” in Southeast Asia, generating hundreds of billions in illicit revenue and posing a destabilizing force in the region. Methamphetamine use is exploding across Southeast Asia, along with a large heroin trade that combine for illicit annual revenues of between about US\$ 40-70 billion for the drug trade. Human and wildlife trafficking remain serious and large-scale problems, both within the region and to and from destinations in China and Africa. Although piracy has declined overall in key waterways like the Malacca Straits, [kidnappings-for-ransom](#) and other maritime attacks, largely carried out by affiliates of the Islamic State (IS), continue to plague the waters of the Sulu Sea, despite increased maritime cooperation between the Philippines, Malaysia, and Indonesia.

The region also suffers disproportionately from large-scale maritime natural disasters brought on by typhoons and cyclones, which are [intensifying in their impact](#) with the warming waters of the ocean. “Super typhoons” like Typhoon Haiyan, Cyclone Pam and Cyclone Winston devastated parts of the Philippines and Pacific Islands, causing high death tolls and requiring large-scale relief operations. These super-charged storms are becoming [more frequent](#), requiring governments to improve their ability to carry out coordinated humanitarian relief efforts for those affected.

¹ <https://amti.csis.org/malaysia-picks-a-three-way-fight-in-the-south-china-sea/>

Southeast Asia's Coast Guard build-up

Faced with the growing challenges of Chinese maritime assertiveness and the broad range of other maritime-related threats, maritime Southeast Asian countries are responding by expanding the role of their coast guards and building up their capabilities. The littoral states of Vietnam, the Philippines, Malaysia, and Indonesia have been most focused on raising the profile of their coast guards and modernizing their capabilities, although most still lack the scale and sophistication needed to meet their broad mandates and deter Chinese aggression.

Vietnam has the largest Coast Guard fleet in Southeast Asia, reflecting its focus on deterring Chinese challenges to its sovereignty. The uptick in clashes with China over disputed territories and China's growing reliance on its Coast Guard to patrol contested waters and assert claims has led Vietnam to sharply increase investments in its coast guard. Along with renaming the Vietnam Maritime Police as the Vietnam Coast Guard (VCG) and separating it from the navy, Vietnam has commissioned four 4,300 ton patrol vessels, which will be the largest coast guard vessels in Southeast Asia, building on a surge in total tonnage across the board, rising from 20,500 to 35,500 from [2010-2016](#). The United States, Japan and Korea have transferred vessels to Vietnam in recent years, with the U.S. transferring a Hamilton-class U.S. Coast Guard cutter in 2017, a total of 18 metal shark patrol boats, and another transfer of a U.S. Coast Guard cutter planned in 2020.

The **Philippines** has also initiated a buildup of its Coast Guard, although its role has softened somewhat under President Duterte as he seeks closer ties with China by downplaying tensions in the South China Sea. Duterte has supported the development of the Philippines Coast Guard (PCG), allocating relatively large budgets and calling for more ships and personnel for the PCG. In 2019, the Coast Guard began recruiting 4,000 new personnel, and is planning for an additional 6,000 new recruits in 2020, which will result in a [23,000-strong PCG](#), more than doubling its size from a few years ago and far surpassing the 14,000 member Philippine navy. The pace of acquisitions of vessels for the PCG has also surged under both the Duterte and Aquino administrations, including ten new 44-meter patrol boats from Japan; two 92-meter offshore patrol vessels from Japan; four 24-meter fast boats, and an 84-meter, 1400 ton offshore patrol vessel built in France and recently delivered to the PCG, which is now the largest vessel in its fleet. Duterte's "[fondness](#)" for the Coast Guard is explained in part by his desire to de-escalate maritime tensions with China by replacing grey hulls with white hulls to police the Philippines territorial waters and having them operate under softer "rules of engagement" with Chinese coast guard and fishing vessels when incidents occur with Filipino fishermen.² This runs counter to the trend in the region that has Vietnam, Indonesia, and Malaysia seeking to expand the use of their coast guards to increase presence and assert maritime claims in the face of growing Chinese incursions.

Indonesia lags behind its neighbors in developing a coast guard, although under President Jokowi efforts have been underway to build one. The Jokowi government has been focused on rationalizing its 12 different entities responsible for civilian maritime security and establishing a coast-guard-like agency, known by its acronym BAKAMLA, meant to synergize national efforts

² Observers have noted that in its current operations the PCG seems more intent on [enforcing violations of Filipino fishermen](#) rather than aggressive actions by Chinese fishing vessels.

among the patchwork of civilian maritime agencies. However as a “[coordinating body](#),” BAKAMLA has had to rely on the assets and personnel from other civilian and naval entities and coordinate efforts rather than lead on maritime law enforcement. BAKAMLA fields a fleet of old refurbished naval ships that are hardly adequate to secure and patrol the waters of its vast archipelago. However the incursions of Chinese Coast Guard ships in the waters surround the Natuna Islands last December have galvanized the Jokowi administration to focus anew on enhancing the capacity and strengthening the bureaucratic position of BAKAMLA, with President Jokowi declaring his vision of having [BAKAMLA evolve](#) into a full-fledged Indonesian coast guard, entrusted with the authority to secure the country’s maritime territory.

In line with the trend of other Southeast Asian countries, **Malaysia** officially [renamed](#) its Maritime Enforcement Agency the Malaysian Coast Guard in 2017, and has also rapidly expanded its capacity in recent years. Its largest patrol boats are a pair of Japanese Coast Guard cutters transferred in 2017, and it is building three 83-meter Damen patrol boats expected to be commissioned in 2021.

U.S. Coast Guard cooperation and capacity-building with Southeast Asian partners

The U.S. Coast Guard (USCG) has played an important role in helping Southeast Asia’s coast guards build capabilities and capacity through a variety of capacity-building programs, training and educational opportunities, and equipment transfers.

Coast guard cooperation with the Philippines offers a great example. U.S. assistance to the Philippines has included training and education, which has surged under the Duterte administration. Over the last three years an average of 60 PCG officers have been sent to the United States to participate in coast guard-related training, while more than 1,500 PCG personnel were trained within the Philippines in various courses taught by USCG personnel.³ Last year the USCG participated in [two maritime exercises](#) with the PCG, using each of its two National Security Cutters that were deployed in the Indo-Pacific under the operational control of the Navy’s 7th Fleet. In May the USCG cutter *Bertholf* participated in search-and-rescue exercises with the PCG near Scarborough Shoal and then made a port call to Manila, the first visit of its kind in seven years. In October the USCG cutter *Stratton* participated in the annual Sama Sama exercise near disputed waters in the Spratley islands, and made a port call to Palawan. This was followed a few weeks later by a visit to Manila from U.S. Coast Guard commandant Admiral Karl Schultz for a series of engagements. The U.S. government has funded the Philippines [National Coast Watch Center](#) (NCWC), designed as an interagency hub for maritime domain awareness which opened in 2015, and last year USCG training teams helped the PCG stand up the [first phase](#) of a planned [\\$3 million law enforcement training and maintenance facility](#) that will greatly expand the PCG’s capacity to train its workforce and sustain its equipment.

In addition to the Philippines, Indonesia and Vietnam have been priority countries for the USCG [Security Sector Assistance](#) since at least 2015. With Indonesia, the focus has been supporting

³ <https://thediplomat.com/2019/06/what-is-the-us-coast-guards-role-in-the-indo-pacific-strategy/>

the organizational development of the Indonesian Coast Guard, BAKAMLA, and enhancing the technical skills and professional development of its workforce through educational partnerships, reciprocal visits by USCG mobile training teams and BAKAMLA personnel, and other engagements.

Last year, the USCG partnered with BAKALMA on a multilateral engagement for regional coast guards on IUU fishing and drug trafficking under the Southeast Asia Maritime Law Enforcement Initiative (SEAMLEI). BAKALMA hosted the [workshop and training exercise](#), with participation by Cambodia, Malaysia, Thailand, and Vietnam in addition to Indonesia. USCG also participates regularly in the annual Southeast Asia Cooperation and Training (SEACAT) exercises that bring together regional navies and coast guards from across Southeast Asia to promote interoperability in order to better coordinate, communicate and counter illicit activities at sea.

Finally, U.S Coast Guard officers serving as liaisons in the U.S. Embassies in the Philippines and Vietnam have been tremendously valuable in fostering engagements and identifying opportunities for closer coast guard cooperation between the United States and these countries.

Increasing USCG focus on Southeast Asia and the Indo-Pacific

The U.S. Coast Guard's recent moves to step up engagement with Southeast Asia and other partners in the Indo-Pacific, in particular the Pacific Island countries, have been strongly welcomed and point towards an even larger role that the USCG can play in support of a Free and Open Indo Pacific strategy. Although security sector assistance and training cooperation have been important features of USCG cooperation with Southeast Asian partners for at least a decade, the recent high level of engagement and increasingly visible and frequent bilateral and multilateral coast guard engagements have been notable. The deployments of two National Security Cutters for long tours (ten months in 2019) in the Indo-Pacific theater under the operational command of the Navy's Seventh Fleet is another very encouraging development.

The U.S. Coast Guard is uniquely positioned to engage with Southeast Asian counterparts and advance U.S. national security interests for several reasons. First and foremost, Chinese threats to these countries' maritime sovereignty is the largest security challenge that they face, which has led them to focus on expansion and deployment of their coast guards as a counter to Chinese grey-zone tactics. As these countries increasingly rely on their coast guards, U.S. coast guard engagement and capacity-building with these partners offers an important and still relatively underutilized tool for U.S. policymakers. Because the United States does not take sides on maritime disputes among the different claimants, American diplomatic efforts as well as military options to deal with Chinese maritime coercion are to some degree limited. The U.S. Navy conducting frequent and regularized Freedom of Navigation Operations (FONOPS) to challenge excessive claims of China and other states is a very useful tool to underscore the U.S. commitment to the principle of freedom of navigation and to demonstrate the resolve of the U.S. military to fly, sail, and operate wherever international law allows. However FONOPs alone are not sufficient as a strategy to help these countries counter Chinese maritime aggression. As important as this signal of resolve may be to regional partners, it does not directly address the immediate challenges of Southeast Asians facing maritime coercion against fishing, energy

exploration, and other lawful activities within their waters. A highly skilled, well equipped and professionalized coast guard is one of the most important instruments these countries can deploy the face of these challenges. U.S. coast guard assistance can contribute substantially to their ability to monitor their waters and begin to mitigate Chinese coercion.

Second, the capability gaps remain large, not just because of the scale of the CCG and paramilitary forces and their coordinated and aggressive tactics, but also because of the myriad of other maritime-related challenges these regional coast guards face and the vastness of their maritime domains, making their mandate very challenging even in the best of times. The Philippines for example has 7,000 islands and 36.7 thousand kilometers of coastline, equivalent to one-tenth the world's coastline. Indonesia's challenge is even greater, with a vast archipelago of over 70,000 islands and a coastline of 54 thousand kilometers. The increase in tonnage of the coast guard fleets in maritime Southeast Asia and the growth of personnel and professionalization of the workforce is laudable, but coast guard capacity remains insufficient to meet the growing demands they face in Southeast Asia. U.S. Coast Guard capacity-building, training, transfer of equipment, and other U.S. resources have a huge potential role to play in helping to narrow this gap.

Third, coast guard cooperation is seen as a comfortable "safe space" for countries like Vietnam and Duterte-era Philippines where naval cooperation remains sensitive.

Finally, the U.S. coast guard is ideally positioned to focus on enforcing a rules-based order in the Indo Pacific, which is at the core of a successful U.S. Indo-Pacific strategy. The USCG can work with regional coast guards on a whole range of skills, professional development and capacity building, all of which help these countries police their territorial waters and EEZs, and work with regional counterparts to counter transnational threats by sharing information and working collaboratively in maritime enforcement operations. By boosting the capability to enforce the rules in areas of great interest to these countries, including IUU fishing, countering illicit activities that take place on the seas, and dealing with piracy and other maritime-related threats, regional coast guards can contribute to regional stability and promote regional cooperation, which in turn can help strengthen regional solidarity in ways that may help keep Chinese maritime assertiveness in check.

Of course, the U.S. Coast Guard is limited in how much it can expand cooperation with Southeast Asia and other Indo-Pacific partners due to its core homeland security mission, competing global priorities and constraints on its resources, including the size of its budget, its fleet, and perhaps most importantly the size and training requirements of its personnel. However from the perspective of an Indo-Pacific national security strategy that puts Southeast Asia and the challenge of Chinese maritime coercion at the center, the prospect of increasing U.S. Coast Guard cooperation and engagement with regional coast guards offers a big strategic opportunity for the United States, one that I hope Congress can support and resource.