

Center for Strategic and International Studies

TRANSCRIPT
Online Event

“Eleventh Annual South China Sea Conference: Session One”

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FEATURING

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Gregory B.
Poling:

Good morning everybody, good evening to those on the other side of the Pacific. Thank you for joining us. This is the first session of the 11th Annual CSIS South China Sea Conference. We are going to try to be as good or better than the previous 10. Now, like last year, due to COVID, we are going to do what would normally be our one-day conference as a series of monthly webinars. This will be the first, providing an update on developments over the last year, since we last had this exact same session. And then I hope you'll join us again in August, September, and October for follow-up sessions.

Today we're going to have a fantastic keynote from Representative Elaine Luria, who I'll introduce in a moment, and then an expert panel. But first, let me get a little housekeeping out of the way. I am Greg Poling. I direct the Southeast Asia Program and the Asia Maritime Transparency Initiative here at CSIS. Everything that you hear today is going to be on the record. We'll have the video up on YouTube I assume over the weekend. I'm not going to make the AV team work on a Saturday. So you can share widely, and we encourage you to do that.

The event today, and for the remainder of the series, is made possible by generous support from the Foundation for East Sea Studies in Vietnam and the Embassies of Japan and New Zealand, as well as general support to the Center for Strategic and International Studies. And once we get past the initial keynote remarks, as well as in the panel, I invite everybody to ask questions to our speakers. We'll be using the Q&A function on Zoom today so you won't be able to ask on camera, due to the size of the audience, but please identify yourselves, type in your question, and I will try to get through as many as I can and read them to our speakers.

And so with that, let me introduce our keynoter, Representative Elaine Luria, who represents Virginia's Second Congressional District in the U.S. House of Representatives. For those that don't know, Representative Luria was elected in 2018. She served two decades in the U.S. Navy, retiring at the rank of commander. She is currently the vice chair of the House Armed Services Committee and serves on the Committee on Veterans Affairs. And she is really at the center of what I think is an extraordinarily important debate at the moment about the future resourcing of the U.S. Navy. For those who have missed it, I strongly encourage you to check out Representative Luria's piece from June in War on the Rocks, entitled "Look to the 1980s to Inform the Fleet of Today."

And with that, let me turn the floor over to Representative Luria.

Representative
Elaine Luria (D-
VA):

Well, thank you, Greg. And thank you to CSIS for inviting me to join you this morning. And it's great to be part of the kickoff of the 11th annual iteration of this event. Like Greg mentioned, I'm Representative Elaine Luria, representing the Second District in Virginia. And served two decades in the Navy, quite a bit of that in the Western Pacific, serving out of Yokosuka, Japan on the destroyer, on the flagship, the USS Blue Ridge as part of the Seventh Fleet stop, and then again on an aircraft carrier actually based out of Norfolk, Virginia, but deploying all the way to the Western Pacific.

So I'm somewhat familiar with the naval operations in that region and, you know, really understand the center of our focus now with China and their activities in the

South China Sea. And have been focused during my time in the House on the Armed Services Committee, now serving as the vice chair, specifically on what we should do as the U.S. specifically with resources for the U.S. Navy, relative to dealing with China's activities in the South China Sea. And I wanted to start out because I actually – I just read a quote this week by a spokesman for the Chinese defense force. And I think this is probably a good way to frame the conversation and potentially the conversation throughout this event.

So this spokesperson says – and I'll read this – the Chinese side believes that the South China Sea should not become a sea of great-power rivalry, dominated by weapons and warships. The real source of militarization in the South China Sea comes from countries outside this region, sending their warships thousands of kilometers from home to flex their muscles, added the spokesman. The Chinese military will take necessary measures to safeguard its sovereignty, security, and developmental interests. It will also take measures to promote peace and stability in the South China Sea.

So you know, that really struck me because, you know, it is – kind of frames the whole picture that, you know, what we see from the Western perspective and from the U.S. and our allies is that, you know, obviously we feel that the Chinese have taken these artificial structures – you know, we don't want to call them islands or give them that credence – but built them up, and militarized them, and increased their number of ships. And, you know, the Chinese navy has grown to about 360 ships and plan to grow to about 425 by the end of this decade. And for comparison, looking at the U.S. Navy we have 297, and I'll kind of get into our Navy force structure in a minute. But all of the activity that China is doing in the region would clearly show to us that China is militarizing the region, that China is bolstering their, you know, defenses and their offensive capability in a large number of ways. But interestingly, the way that they're framing their view about the South China Sea, their maritime claims – which are, obviously, not recognized by the U.S. and our allies – is that, you know, we – the Western countries, the U.S. – operating in that area are, you know, coming into their neighborhood and causing trouble, essentially, would be the simplest way to put it.

And something particularly of note and that I'm watching very closely is the British carrier Queen Elizabeth is deploying through this region as we speak. You know, I think that it is very important to have that cooperation with our allies, to have the British for the first time in decades deploying a carrier to this region and also stating that they will, you know, maintain a maritime presence there for the long term; as well as the French, who 93 percent of their exclusive economic zone is in the INDOPACOM AOR; and our obvious allies the Japanese; as well as South Korea; the Quad countries; other countries, you know, that we're cooperating with such as Vietnam, Malaysia, Singapore. And recent news yesterday from Secretary Austin's visit to the Philippines that the mutual defense pact will remain intact for the time being. So I think it's really important to view the dichotomy and the perspectives between how the U.S. and our allies are viewing China's actions in that region and their stance that, you know, actually, they're trying to justify that the others who are in that region – which, obviously, is international waters – are somehow aggressors in that front.

I've spent a lot of time during my two terms and now three cycles of the defense bill, what we call the National Defense Authorization Act, looking at the force structure of the Navy and, as Greg mentioned, you know, looking at how we justify what we need as a Navy. And truly, you know, this theater being a maritime theater, and so I think that, you know, the Navy and the Air Force, as far as our military are concerned, have the largest role in that region. So have looked back, as I mentioned in the article, to the timeframe in the 1980s to try to understand, you know, how a maritime strategy that justified 600 ships at that point in response to the Soviet Union, how we gained the traction as a country to actually implement that. You know, we said we need 600 ships. It was clearly justified why we needed them and where. You know, we needed 15 carrier strike groups, total of 600 ships, and we built that Navy. And I've really been a strong advocate to make sure that we have the resources and we focus our resources to the Navy and the Air Force in order to be more present and have those capabilities and platforms to be in this region as a deterrent.

So I know that Greg wanted to spend a large portion of the time hearing questions from the audience. So those are some of my initial thoughts and I thought would be a good way to start out and frame the discussion, but look forward to hearing questions from those who are watching today.

Mr. Poling: Thank you. Representative Luria.

So, again, please put your questions into the Q&A box. I will pull them out and read them to Representative Luria. And I'd ask that you identify yourself, if you can, in the Q&A so that we know who we're speaking to.

If I could toss one out to get us started, what we have in the Indo-Pacific that China doesn't is a strong network of alliances, none of whom are capable of standing up to the PLA Navy by themselves but all of whom are force multipliers for the United States. So how do you see the role of the U.S. alliance network in facilitating or potentially taking some of the burden off of a U.S. service that, you know, has had budgetary problems and a shrinking fleet size?

Rep. Luria: Well, first, you know, I think from my perspective as a member of Congress, my goal is to make sure that we shore up, you know, those resources to allow the Navy to both modernize, you know, and grow in capability and the number of platforms. But it's absolutely essential to participate in this region with our allies and I think as a deterrent.

I think it's incredibly important to have presence. I feel like the presence of the U.S. and our allies in the region is absolutely essential to maintain the freedom of navigation, to maintain our values collectively as a group of allies versus, you know, I think what the Chinese political aims are in the region – political, economic, environmental. I mean, it goes into so many sectors. It's, you know, fisheries. It's maritime claims. It's freedom of navigation and trade. You know, so I've been focusing a lot on the military aspect of it – our ships, our aircraft, our forces in the region – but you know, I think really a whole-of-government perspective.

And another aspect, as well, is that, you know, I think it's really important on a diplomatic level for the U.S. to be engaged in this region and especially with, you know, island nations, for example, where the Chinese, they are going in and they are deliberately trying to make economic developments to, you know, essentially, you know, become the favored partner, whether that's trading partner or, you know, any type of activity for, you know, defense or trade or infrastructure development. And you know, the U.S. and our allies, we have a role collectively in being the preferred partner in those regions. So I think that that's an incredibly important element as well that our allies can participate in.

Mr. Poling: Thank you.

Let's go to the queue, our audience. So first we have Christopher Woody from Business Insider, who asks: How should the U.S. military and the Navy in particular divide resources between the Indian Ocean and the Pacific Ocean? What kind of presence should it have in each theater?

Rep. Luria: Yes. Well, that's a big question, and I think we see ourselves faced with that discussion today because, you know, for those of us listening who are maybe not as familiar the U.S. has ships stationed in Japan – so we have an entire carrier strike group in Yokosuka plus additional ships, and then an amphibious ready group as well with a Marine expeditionary force. And you know, those have historically been present and always present – the aircraft carrier strike group – in the Western Pacific, ready to respond in any sort of contingency in that region. And with the strain that we've seen recently on our carrier force and, frankly, the obligations that we've committed ourselves to over two decades, really, in the Middle East supporting ground forces in Iraq and Afghanistan have, you know, kind of worn out our carriers in the sense that they've deployed, they've deployed, they've deployed. We've had struggles with maintenance to get other ships to deploy. And at this point in time the Reagan, which is based in Japan, has actually gone to the Middle East to support the withdrawal of troops from Afghanistan.

And so I think that we should do a rebalance and a shift of how we deploy. You mentioned one article that I wrote, and I did another one recently in CIMSEC that talks about, you know, what should this new maritime strategy look like. And it's probably lengthy to go into here, but the idea of both a deterrent force and that deterrent force being stationed strategically with assets that are present all the time – I mean, a persistent deterrence. So what we're seeing today is not a persistent deterrent, because if our deterrent in the Pacific is the carrier strike group and it's other ships but they leave to go to a different area of the world in order to respond to a different crisis, then, you know, that leaves a gap for a period of time. So a deterrent force.

And you know, I think that deterrent force should be spread out geographically. And what I envisioned was – and you know, this is notional. I'm not going to personally write the entire strategy, you know, for how the Navy operates. But a thought, and taking this off some work that, you know – in coordination with some work that Bryan Clark and others at CSBA had done in 2017 with this deterrent force and this maneuver force is that they could be stationed geographically essentially in a large arc kind of encircling the entire region from Djibouti to Diego

Garcia to Singapore to Guam and Japan, and having the force spread out across the larger region, but then the maneuver force independent from the deterrent force which is always present has the ability to maneuver around the world. And that would consist of our carrier strike groups, which could respond where needed and when needed around the globe.

So if you wanted to read in more detail, that was recently something I shared in an article in CIMSEC with that sort of structure and idea.

Mr. Poling: Thank you. That was a great answer.

The next question we have is from Trang Pham, who I assume is Pham Ngoc Minh Trang, our friend from Vietnam National University, although let me use this as a reminder: Please identify yourself and your institution so I know who to let Representative Luria know she's answering.

So Trang asked – let's see – in the lecture that Secretary Austin gave at the 40th International Institute for Strategic Studies Fullerton forum earlier this week, he mentioned the term "integrated deterrence," which has become a bit of a keynote phrase over at the Pentagon. In your mind, what does "integrated deterrence" mean?

Rep. Luria: Well, thank you. I think this follows on directly to what I've been speaking out. You know, I think that idea – our role in the region to be present in a persistent way as far as deterrence is concerned – is certainly integrated with our – with our allies.

(Background noise.) I apologize for the bell. That means the House is convening in a few minutes.

But that participation with our allies is absolutely essential. And the way that we can operate together, exercise together, increase interoperability and, you know, operate together in a way that we are a unified force in the fact that we are deterring Chinese illegal maritime claims – whether it's fisheries, whether it's interruption to commerce and freedom of navigation. But the fact that we are operating essentially as one force with one mission within the region is incredibly important. And our allies are central to that.

Mr. Poling: Thank you. I can already tell that we are not going to get through all the questions, but I'll keep doing my best.

So Hiroaki Nakanishi asks – let's see – how can we, Quad, NATO members, and likeminded regional stakeholders, incentivize China to conduct more maritime security cooperation, de-escalation, crisis management, arms control, et cetera, or enter some kind of dialogue on maritime law?

Rep. Luria: I feel like that it just feels to me and appears from all the statements that they've made from their recent actions and things that I feel have been actually more aggressive, that, you know, it appears harder to move in that direction. You know, obviously we want to prevent any further escalation. We want to prevent them from taking any drastic actions or, you know, any military actions to claim any of

these additional territories or land that they, you know, may have an interest in. But I think that, you know, showing – just as in the previous question – you know, showing that the U.S., along with all of our allies in the region, are a unified force together I think could apply some sort of pressure to make them feel that the better alternative than being aggressive and military buildup is to, you know, truly come to the table with a partner.

And also, you know, we can't overlook the economic aspect of it, that our economies are all very completely interrelated. So, you know, it's not to anyone's benefit, including China's, to, you know, start an aggressive action that leads to war, because that is also devastating to their – to them economically as well. So the idea of what is the status quo we want to achieve, I think, is a little bit ambiguous. And so, you know, as far as diplomatic means to reach that, I think that that's a little bit difficult. Like, I have been focusing a lot on, you know, kind of the military presence that we need in the region, the message that that will send. And I certainly think that having a present deterrent force will send the message that we are not going to just withdraw and cede to Chinese claims in the area.

Mr. Poling: I'll give the next question to James Kraska with U.S. Naval War College.

James asks: Isn't the fundamental problem that there are differences of opinion within the United States and the U.S. government over the nature of China, the scope of the threat, or whether China is even a threat at all?

Rep. Luria: I would say – and I'm speaking from my perspective as a member – as the vice chair of the Armed Services Committee, of every hearing we've had through this cycle going through development of the National Defense Authorization Act, and every service chief and secretary, as well as every combatant commander, as well as, you know, the chairman and the secretary of defense. The number-one thing that is stated in every one of their statements in Congress is that, you know, China is our number-one threat, our number-one concern, and that everything in this budget which we are considering this year should be focused on countering threats and, you know, increased activity of China.

But that said, you know, I also feel that we've said those words, yet I don't feel that there is a direct correlation between saying China is our number-one priority and the priorities we've actually made in the proposed budget and that we're working through this year. So I feel that there's a say-do gap between the two of those things. I would find it difficult to believe that there really is – that there still remains a strong voice that says that, you know, China is not of concern. I mean, I do think that we have to posture ourselves, we have to cooperate with our allies, we have to operate in the region, we have to be in their backyard every day in order to ensure that we maintain essentially what is today's status quo, and do not allow China to continue their expansion, their, you know, what I feel are nefarious aims in expanding and taking over, you know, additional disputed territories and enforcing, you know, maritime restrictions within the region.

Mr. Poling: Let me zoom back in on naval issues in particular. So we have a question from W. Morgan Hyson at the State Department, who asks: Given China's high-volume ship

output, both military and otherwise, and the U.S.'s comparatively conservative shipbuilding efforts, do our substantial ship graveyards represent a meaningful resource for rapid scale-up, or are these hauls completely obsolete or too far gone?

Rep. Luria:

Well, thanks for that question, and a very euphemistic way to describe – (laughs) – our shipbuilding effort relative to theirs.

There's not a lot of ships that have been decommissioned in the last decade that would be able to be rapidly re-introduced into the fleet or upgraded. I mean, we're dealing with that today with the cruisers. There's 21 cruisers today. This president's budget actually proposed decommissioning seven of those, so one-third of the cruisers that exist today. So those are ships that are already in service but are very antiquated in the sense that, you know, they require a lot of upgrades to their combat systems. Some of them still require HM&E, which are mechanical upgrades, to their engineering systems. And so the debate is, even with the platforms that we have today that some will call legacy platforms, the truth is that, you know, we spent two decades not replacing the cruiser and really not building a new generation of ships. Some of the ship classes that we had planned to build – a new destroyer, DDG(X), or DDG 1000 – we were going to build 32 of those; we only built three, and we abandoned the main weapon system on that ship class. The littoral combat ship, LCS, was supposed to take some of the missions of, you know, previously frigates, minesweepers, take an anti-submarine warfare role and a mine-countermeasures role. However, those modular capabilities that were supposed to be applied to that ship were never implemented, and then we never really – we never built a replacement for the cruisers and we are just now starting to rebuild a replacement for the frigate.

So, you know, I feel like we have a lost generation of shipbuilding. Other than some of the supply and logistics ships, which are, you know, currently out of service but could be reintroduced to the fleet and even repurposed in different ways for different missions, it's not as though we have an entire – (laughs) – flotilla of former Navy ships that could be, you know, upgraded for some insignificant cost and put right back into action. I know that at previous times we did reactivate battleships in the first Gulf War, those types of things, but, you know, we really have not pursued our shipbuilding at the rate or scale that I think we should have over the preceding two decades.

And, you know, beyond that I also think there's an aspect of what our focus of the Navy has been during that time frame. The majority of naval forces were used to support ground efforts in Iraq and Afghanistan, so really in a power-projection role. The naval forces themselves were operating in a benign and permissive environment, and we didn't focus a lot on continuing to develop those warfare areas that were really at the forefront, you know, during the Cold War and when engaging or having an adversary such as the Soviet Union, so anti-submarine warfare, anti-air warfare – I mean, our carriers deployed; they had an air-defense commander or cruiser or destroyer that provided that air defense, but air defense against what? You know, there was really no specific threat in the operating environment where they were operating, and so we, having used the Navy as a support to the ground forces over two decades has really made us not only not build those platforms but

also, you know, not focus on the skill sets and the types of weapons necessary for that type of potential conflict.

Another thing with that is our long-range anti-surface missiles. We've really maintained the same capability over a long period of time; the Harpoon missile – it hasn't changed very much. I mean, we're developing new capabilities for anti-surface missiles but, you know, during this time frame and technology-wise, China and others have developed capability that outranges us, which then requires us to modify and adapt our tactics, how we operate, where we operate, and, you know, what type of response that we would need in that type of scenario.

So I think there's a lot of work to do, both Navy and Air Force, as far as, you know, having the right platforms, the right number of these platforms to deal with the growing size of the Chinese fleet.

Mr. Poling: Thank you.

Let's go to Alistair Scarff with Bank of America, who asked if you could comment on how China's use of maritime militia in the so-called gray zone complicates Navy's plans to manage disputes and avoid miscalculation.

Rep. Luria: Right. So I think that miscalculation is the part that I would get back to about that persistent deterrent and having forces there all the time. I think the miscalculation part is really a big concern, especially if our forces operate infrequently in these areas and when dealing with this idea of the gray zone type of scenarios. So I think that being there persistently, having a great familiarity with operating in those regions. And this is also where operating with our allies extremely helpful, because our – you know, our allies are frequently operating in the areas, and are familiar with the routine activity, whether it's, you know, merchant traffic, whether it's fishing vessels, you know, the type of activity that happens kind of in the neighborhood.

It's very important to understand those patterns, because if you don't understand the patterns and the frequency by which they happen and how those interactions will happen with other vessels in the area – you know, not necessarily military vessels – then you don't understand when a change in those has happened. And so I think that that possibility for an inadvertent escalation based on a lack of familiarity with how – in the pattern of operations in those regions.

You mentioned the Philippines earlier. I mean, we saw the situation where the Chinese sent hundreds of these fishing vessels and anchored them in a reef, in the Whitson Reef in the Philippines. And you know, I feel like these type of actions are continuously attempting to test the United States, test our allies, and test the alliance between the U.S. and our allies, and how we will support each other. And, you know, as an example, just the fact that Secretary Austin recently made this announcement relative to the Philippines, that we will continue our mutual security defense agreement, is a strong testament to the fact that, you know, the other countries which are being threatened by these actions from China are – actually want to stand with the U.S. and our allies collectively.

Mr. Poling: Thanks. So we have just about three minutes. And promise to get you out of here on time. So let me give the last question to Jack Shanahan, who's a grad student at North Carolina State.

He writes: With your combined military and congressional experience to call on, when you project five years into the future what does success look like for the U.S. and its allies vis-à-vis China?

Rep. Luria: Wow. (Laughs.) That is, obviously, the million-dollar question. So, you know, hopefully that in my three minutes if I don't get it the remainder of your seminar will touch on that. (Laughs.) I mean, obviously a success is not seeing any additional escalation, not leading to a full-scale war or any type of conflict. And, you know, the ultimate success I think would be, like a previous questioner asked, you know, sitting down at the table and coming up with, you know, an agreement of the status quo.

Yet, you know, I'm not sure that that is a direction whatsoever that China is willing to do or, at this point, that the U.S. would be willing to, you know, trust their statements in that regard, because their actions are certainly showing that they fully intend to continue to exert these maritime claims to conduct this, you know, harassing activity within the region, whether that is the thing like the example I mentioned in the Philippines or other, you know, economic pressure with countries in the region. So, you know, I think that what we need to focus on, you know, in the near term is certainly maintaining a status quo where we can continue to have, you know, freedom of navigation, freedom of trade, and mitigate any Chinese attempts at exerting pressure on our allies in the region.

Mr. Poling: If I can make a liar of myself, we still have two minutes and we had a number of questions about what our –

Rep. Luria: So I tried to solve that whole question in one minute?

Mr. Poling: I know! You just solved the whole China problem, so I figure we might as well throw another one. We had a number of questions about FONOPs, which of course have to come up in any discussion of the South China Sea. What do you view as the strategic value of FONOPs?

Rep. Luria: Well, I think FONOPs, Freedom of Navigation Operations, are important in the sense that we are operating in accordance with international law. And when you have a country who claims territorial claims, maritime claims to a certain area which are not recognized by, you know, international maritime law and by the U.S. and our allies, it's important that we, you know, actually go there and show that, you know, this is not a legitimate claim. You know, we can operate in international waters per international law. And we do not recognize that this is, as you claim it, to be your territorial waters.

So, you know, I think that there is a balance between, you know, the amount of those you do and kind of how much that aggravates the Chinese, or how much they're going to, like the statement I read at the beginning, try to use that as an excuse that perhaps the U.S. and our allies are being the aggressor. I think it's incredibly important to continue to do them. And I think that we should do them with regularity. But, you know, I don't think that's the end-all, be-all. Like, just doing FONOPs is not the deterrent presence that we need.

Mr. Poling: Thank you, Representative Luria. That was a tour de force. And I'm going to let you out of here. I would ask everybody at home to stand up and give the congresswoman a standing ovation. She won't hear it, but I'm sure it will be very much appreciated. Thank you again.

Rep. Luria: Well, thank you for having me and best of luck on the rest of your discussion. Thanks.

Mr. Poling: I appreciate it.

Let's move onto our expert panel. Now before I introduce the two panelists we have, I have to apologize at the top that my colleague, Bonny Lin, who directs the China Power Project here at CSIS, won't be able to join us this morning. Unfortunately, she's had a family emergency. But if you have any questions for her, send them my way and I'll hunt her down in the hallway as soon as I see her and make sure that you get an answer. In the meantime, we do still have two fantastic panelists who are going to do their best to step in and fill the void.

So first is Zack Cooper. Zack is a senior fellow at the American Enterprise Institute, where he studies U.S. strategy on Asia. He also teaches at Princeton. He is at the Alliance for Securing Democracy. And if you are so inclined you can hear him, I think weekly, on the Net Assessments podcast. And when we have Nguyen Nam Duong, who is an associate professor of political science at the Diplomat Academy of Vietnam, and also deputy director-general of DAV's East Sea Institute.

Let me turn the floor over first to Zack. Before Zack speaks, I should also add I know there was a lot of questions in the Q&A we didn't get to. So if you want to re-enter them for Zack or Professor Nam Duong, go ahead and do that and I'll try to get to them if I recognize one that I didn't get to for Representative Luria. Thank you. Zack, the floor is yours.

Dr. Zack Cooper: Well, wonderful. Thank you, Greg. And thank you for having me. This is always a great event. And we were just saying the other day, you always manage to time this perfectly. The saving of the Visiting Forces Agreement happened yesterday. Five years ago I think you had this event immediately, like within an hour, after the Arbitral Tribunal decision came out. So I don't know how you do it, but it's always well-timed. And really happy to be here.

So let me just provide a couple of opening thoughts. And I think there already are a number of really great questions in the Q&A that we can all discuss. So I think the place for us to start is on Secretary Austin's visit to Southeast Asia that just

happened the last few days. I think this was a badly-needed visit, to be very honest, for the administration. Tony Blinken in December, I believe, had promised that Southeast Asia was going to be a priority for the Biden team, and then what we'd seen was that, I think, the Biden team was frankly struggling to figure out how to engage.

This wasn't all their fault, right? COVID makes travel to the region hard. The Shangri-La Dialogue has gone virtual. The fall meetings of ASEAN and EAS, and APEC have gone virtual. So it's a tough landscape out there for them. But at the same time, I don't think they're able to make the excuse that, look, you know, travel is hard. People are still expecting them to do more. And up till now, until the last few days, we actually hadn't had a Cabinet-level visit from the Biden team to Southeast Asia. So I think there's a lot of pressure on Lloyd Austin for not only his speech in Singapore, but to deliver in Vietnam and the Philippines.

And, look, I am pretty optimistic about what this team did thus far. I think they delivered. There's still a lot more to do. There are a lot of questions out there. But just to quickly go through Lloyd Austin's visit and some of the highlights, you know, I think the speech in Singapore was well-articulated. It laid out, from an American perspective, why Southeast Asia is important. It didn't talk primarily about China. It focused on why the region is important to the United States, regardless of what's going on with China, which I think is the right approach.

I think it also tended to focus on what the United States can do for partners in Southeast Asia, which is the right – the right thing for Washington, right? So don't talk about freedom of navigation operations, talk about the fishing rights of countries in the region and why we want to help them uphold what they should be legally allowed to do in their exclusive economic zones, right? Talk about how the United States is providing vaccines that are so badly needed in the region right now.

So I think that approach was the right one. I know there are some quibbles about, you know, how deep Secretary Austin was when he was talking about Southeast Asia in that question-and-answer period. But look, the bottom line is this is a guy who hasn't spent a ton of time in Asia. He's there now, he's trying to learn fast, and I think that's the right thing for him to do and for his team to suggest that he do.

And I think this morning we've had some pretty important news with the Visiting Forces Agreement not being canceled now by the Duterte administration. And it's not that I think we're going to see rapid progress in the Philippines over the next few months, but I do think this sets up a possibility next year for some really substantial progress between the U.S. and the Philippines on military issues and potentially on political ones as well, and also he should get credit for that.

And you know, in Vietnam I will just say a couple of words. I think we saw some positive progress there as well. The Memorandum of Understanding that was signed I think is important. Americans may not understand how important it was, but Vietnamese friends certainly do. So I think we've seen a lot of progress.

The final thing I'll say, though, is now the question is, can the administration follow this up, right? And I think that is going to be a tougher question to answer. The

thing that most of our friends in Southeast Asia always tell us they want is an economic strategy, and I'm not sure that we have one yet from the Biden team. They've started to nominate ambassadors, but I'd love to see more ambassadors get named pretty quickly.

And then the final thing – and Representative Luria, I think, was really thoughtful in how she talked about this – is, what is the United States going to do on the military side to back up the statements that Secretary Austin made, right? Are we going to see the Pacific Deterrence Initiative bolstered? Are we going to see more money and resources go to Asia? Or are we going to see an aircraft carrier strike group go to – go to cover an Afghanistan withdrawal from Asia? That's a big question and we don't yet have the answers.

So why not leave it there, turn it back to you, Greg. And just great to be here, and thanks so much for hosting this.

Mr. Poling: Thank you, Zack. Yeah, I should have talked about the VFA myself to steal your thunder, but it's good that you got to be – (laughter) – the one to first touch on it. This is clearly, I think, THE deliverable from the trip, right, if anything was.

Let me turn it over to Professor Nguyen Nam Duong to give us a few remarks, and then we'll open up to Q&A. Nam Duong?

Nguyen Nam Duong: Yeah. Thank you, Greg.

Good evening. This is nighttime in Hanoi, so I'm using that background in hope it's bright for you.

My colleague Zack already provided a comprehensive sketch of the situation in the South China Sea. Yeah, I completely agree.

I'd say that one of the major features of the South China Sea situation in the first half of this year is the absence of major conflicts and major incidents. However, there is still heightened tension in the South China Sea with sporadic incidents breaking out at times, and that happened in the Whitsun Reef, as Zack already mentioned, and it also happened in Thitu Island. And recently, there is a large-scale, you know, Chinese deployment of fishing trawler, including maritime militia. And the same thing happened in Thitu Island. Now, these are kind of gray-zone tactics that everybody now know about. It's also there's an intrusion of Chinese military across into Malaysia's maritime zone and also approach Malaysia's airspace, which the Malaysians think that is posing a threat to their national security and also a problem for aviation safety as well. I think what is more worrisome is the approval of China's coast guard law earlier this year.

So I mean, that's kind of everything. It's, frankly, kind of gray-zone tactics, reliance on that in the first half of this year. I think there's some reason for that.

So the absence of major conflicts this year is maybe about the 100th anniversary of the founding of the Communist Party of China, and also there is a new U.S. administration with – their Indo-Pacific strategy is still in the shaping. So China

may have an incentive to avoid the large-scale conflict. But you know, the reliance on gray-zone tactics is already there and this is another form of diversion.

Another feature in the South China Sea situation this year is the legal aspect. That is a wider recognition of international law, particularly UNCLOS, you know, and Arbitral Tribunal's work is getting widely accepted even when China has been rejecting the work. You know, last year's legal highlight was a diplomatic note exchange at the U.N., and this year's highlights is actually the fifth anniversary of the Arbitral Tribunal's work. I think after five year the work will continue to be a helpful guide leading the consultant parties to develop a kind of a viable rules-based order in the South China Sea rather than allowing the region to become a might-makes-right arena for interstate rivalry.

Now, on this occasion the Philippines already made a statement that they firmly reject attempt to undermine the ruling, erase it from law history and collective memories. About that we need to be grateful for the Philippines to advance this course. There is also some major countries who also make statement on this occasion. Although UNCLOS has no provisions for enforcement, I think that the work is now part of international law. Yeah.

Also, from the aspect of maritime cooperation we are looking to the cooperative aspect. I believe that cooperation is still maintained between China and ASEAN partners, but there is a lack of political will in order to move the cooperation process forward.

You know there is a resumption of the COC negotiation as a result of the recent meeting in Chongqing between China and ASEAN partners. This is a special meeting. And also, they may come to the conclusion that the COC negotiation should be resumed after two years of the, you know, long pandemic. That is, after two years – I think in 2019 there is a first reading of the single draft negotiating text of the COC, so I think this year they may make effort for the second reading, yeah, of the COC.

There is a long, very difficult road to travel with the COC. I believe that there is – maybe China and some ASEAN country may have the incentive to conclude it as early as possible, maybe because China has rejected the (award) so that it can be more open on COC negotiation. But I know there is many things to be settled for the COC to be completed – to be completed. There are major issue still outstanding – for example, legal status, geographical scope of the COC, other enforcement measures, and the role of third parties. All of these thing are still, you know (put to ?) question. Yeah.

Apart from the COC, from the cooperative side there is the blue economy proposal from China. There is Chinese proposal 2019 that is for ASEAN-China cooperation on blue economy. Yeah, blue economy is a very fashionable concept from the U.N., and it is now being deployed everywhere in the world. However, in this region I think blue economy is still an unclear concept and ASEAN is now in a difficult situation to figure out what does it mean, yeah. ASEAN don't have a common understanding on the blue economy. I think – I don't think China has a clear concept of blue economy at the moment. So that's why I think that, you know, the

progress is very slow. Cooperation is still ongoing, but I'm personally not very optimistic about its prospect.

And finally, it's about regional security architecture. I believe that the regional architecture has been evolving, especially with recent U.S. reengagement with this region, Southeast Asia region. In the past few years, the regional architecture have been partially paralyzed, you know, due to the pandemic because you can just only conduct online meeting for – you know, on the regional architecture because you can't meet face to face. So with the – also, there's a new administration in Washington.

With the U.S. reengagement, I believe that the regional architecture can restore the balance and its vitality. Yeah. Now you have the – you know, as Zack mentioned, that is Secretary Blinken's virtual meeting with ASEAN counterpart, Ms. Wendy Sherman's visit to the region, and now Secretary Austin's visit to Singapore, Vietnam, the Philippines.

He also mentioned the central role of ASEAN in Singapore. That is – it's critical to the regional security architecture and also the ADMM-Plus that U.S. secretary of defense, you know, attend the meeting, every single meeting. Yeah.

Also, according to Secretary Austin, the Quad is a complementary mechanism. The Quad is useful and it would help strengthen the regional security architecture, according to Secretary Austin, and it will help shore up, you know, respect for the central role of ASEAN.

So, on the other hand, there is a concern that under special circumstances the regional countries may be asked to choose sides between China and the United States. And there are some smaller countries that could be, you know, very worried of a major-power rivalry, so I believe that the regional countries hope the major powers should act in a responsible way and exercise restraint vis-a-vis each other so that the regional peace and security could be maintained.

So these are the key features of the South China Sea situation in the first half of this year, which I believe will chart the course of a South China Sea situation, not only in the latter half of this year but also for the time ahead.

Thank you.

Mr. Poling:

Thank you, Nam Duong.

So, again, we're going to open the Q&A to the audience. I would ask you to type your answers – or type your questions into the Q&A box in Zoom and identify yourself and your institution and we'll try to race through as many of them as we can. We have about 44 minutes to do that before it's, I imagine, too late on a Friday evening for Professor Duong to continue to answer questions.

So let me start with one that was left over in the queue from Representative Luria's keynote.

Zack, I think I'll send this your way, although I welcome thoughts from you as well, Professor Duong.

Hoang Do asks, how big a priority is the South China Sea under the new administration?

Dr. Cooper:

That is a great question. So my read is that the Biden team knows that they're not going to roll back the seven features that China has reclaimed in the Spratlys. They have – that's not to say that they're happy with that situation, but they've accepted that that's the reality we're living in. And I think that's the right approach. Right? I think it's unrealistic to hope that the United States is going to put some pressure on China that would force it to walk away from Mischief Reef or Subi Reef or the other five. That's just unrealistic. The question, though, is how to proceed in the South China Sea in ways that are still helpful and, in this regard, my view is don't focus so much on freedom of navigation operations. This came up earlier with Representative Luria. Right? We have to do them; that's important. But focus on what the claimants themselves care about – right? – oil and gas resources, illegal fishing, those kinds of things. I think we're seeing the administration do that. But I think we have to be honest, too. Right? The reality is that we're hearing a lot less about South China Sea issues today than we probably heard about them, say, five years ago, and the reason is because the status quo has sort of solidified there. Now, that's not to say that there aren't concerns about a possible deterioration of the status quo there. I think if there were a move against Scarborough Shoal that would be something that the United States would have to take very seriously, if there were an effort by China to push other claimants out of the features that they currently hold. Again, I think that would require a very substantial U.S. response along with allies and partners. But I think the administration's assessment is that those moves are probably unlikely, as long as we keep up our deterrent capabilities.

So I think we've seen pretty clearly from this team a growing focus on other parts of the region. Right? We've seen more focus certainly on the balance of power in the Taiwan Strait. I think that, has to be said, is clearly the number one area in the maritime zone that they're worried about. And we've seen more focus on working with countries beyond South China Sea, even beyond Southeast Asia, especially the Quad.

So it's not to say that they don't worry at all about the South China Sea. I think they do. But it's certainly not the same amount of focus we saw from, let's say, 2013 or 2014 through the end of the Obama years where there was so much questioning about what the United States could do to reverse or slow Chinese moves in the South China Sea. I think now most people accept that, unfortunately, the reality is that China has built up those seven features and there's very little that the United States can do to reverse that progress that Beijing has made.

Mr. Poling:

Let me stick with this point: So you say that the status quo is, in a sense, solidified now. We know what it is, and barring some kind of crisis at Scarborough, maybe Second Thomas Shoal that would directly call in the U.S.-Philippine Mutual Defense Treaty obligations, it's unlikely to be a top-tier priority. I wonder, though, are there other issues in the maritime space, oil and gas, fisheries, and all the things that Secretary Austin just talked about? Do those not count as a deteriorating status

quo? Right? Or are we willing to accept that that is naturally going to continue to deteriorate in Beijing's favor?

Dr. Cooper: I think you're exactly right. We shouldn't accept that that kind of behavior is going to continue, but I think this gets it – the point that the problem, therefore, isn't the seven features in the Spratlys that the Chinese built, it's the way that China is using its forces to coerce its neighbors, and, you know, in particular to coerce the Philippines, Vietnam, and Malaysia. And I think the question for the United States is, how can we help our friends stand up for themselves against this kind of pressure? And from my point of view, the really critical thing is that we start coming up with some policies that can put a bit of pressure on Beijing when it tries to use this type of gray zone coercion. So, for example, can we do more to take video of clashes between Chinese vessels and claimants from the region? Right? And let's – you know, let's show where those clashes are happening and make very explicit that under the arbitral tribunal's decision that, in fact, China is doing things that are not legal. Right? They're taking action against foreign vessels in maritime zones that China does not have a legal claim to. I think that is the kind of pressure that would be helpful. The same is true not just on fishing but on oil and gas resources. And look, it's true not just in the South China Sea; we're seeing this kind of activity beyond, into the Pacific, right, around some of the Pacific islands where fishing is a huge problem.

But I think this is a very different type of focus than the one that we had for much of the last decade where, you know, AMTI was taking pictures of island features – right? – and we were watching as that changed. Now this is very different. I think it's a bit harder for people to understand, in part because we don't have visuals for common people to be able to say, oh, here's a feature that didn't exist a year ago and now it has a 3,000-meter-long runway. That's a lot harder to understand than, you know, some clash about fishing vessels that are in a place that, you know, most people haven't heard of. So I think trying to highlight what China is doing – it may not force Beijing to alter its behavior overnight, but I think over time it's going to build up pressure, especially in some of those claimant countries, that will have some backlash against China. So I think that's the right approach, but, again, I think it's probably slightly less of a priority for this team than maybe the South China Sea should have been under, let's say, the Obama team.

Mr. Poling: Thanks.

Nam Duong, I'd like to ask you the same question from your perspective in Vietnam. Is there a stable status quo in the South China Sea now, which is what Chinese officials frequently like to say. Right? Everything's safe, everything's stable; there's been no major clashes, as you said. But is that – is that really OK? Is that what, you know, Hanoi seeks, looking out?

Mr. Nguyen: Well, you know, on the priority of Biden administration, with regard to the South China Sea, I think, you know, this is my own perspective on this administration because, of course, Zack can provide a better answer than me. I believe that the South China Sea is the key to the Indo-Pacific strategy. It's the place that links the Indian Ocean to the Pacific Ocean. Now, if the South China Sea is unstable, I don't think it remain the same for the two oceans. Yeah. Even though

that the Biden administration may put emphasis on allies and partnership, it has, you know, occupation somewhere else – for example, Taiwan Strait or on the Korean Peninsula. But I believe that the South China Sea is at the heart of Southeast Asia, and Southeast Asia is the key to the Indo-Pacific strategy. Of course, apart from the South China Sea that is, you know, the Mekong region and the pandemic, which is, you know, an urgent problem in a transnational security sense, especially in this region, but anyway it is a hotspot. And it is critical for successful Indo-Pacific strategy.

Now, we'll leave that to the status quo. Now I believe that the status quo, if there is a status that is established by China, it is illegal, yeah? Are you mentioning the, you know, illegal construction of artificial island in the South China Sea, or you mean the coercion against regional fishermen, these status quo are illegal, and it should not be accepted in any way. Thank you.

Mr. Poling: Thank you. Let me give you another question. I have to say, I am impressed by the number of fellow scholars in Vietnam willing to sacrifice their Friday evening to stay up and watch this. I think they account for about half of the Q&A section right now.

So first let me to go Ai Ho with Hue University School of Law, who asks: Should Vietnam and Malaysia, as two of the main claimants in the South China Sea, follow the Philippines and file their own cases – arbitration cases – against China? If yes, how would China react?

Mr. Nguyen: So I have the first chance?

Mr. Poling: Yeah, that's for you.

Mr. Nguyen: (Laughs.) OK. Well, firstly, I have to say that the Philippines are very courageous. And not only regional country, but the world should be grateful to the Philippines for advancing this legal case against China. This is a very courageous action that I really personally – I really admire, yeah. Now, for smaller country like Vietnam and Malaysia, I think Malaysia is very good at the legal instrument, because Malaysia fight diplomatic note exchange at the United Nation(s). And that – which is there, you know, legally well-prepared, and also shows that Malaysia has resources for a legal case.

Now, really, back to Vietnam, I believe that we leave it as an open option. We never say that – the government of Vietnam never say that we abandon the legal instrument. And I believe that up to how we leave it as an open option, depending on the situation in the South China Sea. I believe that we do have a very strong case – strong legal case with regard to our maritime entitlement, yeah. Well, actually, the arbiter award in the Philippines is very encouraging. I believe it is very encouraging for Vietnam. And I think that will have a good chance of success once and if we decided to go for the legal path forward. Thank you.

Mr. Poling: Thanks. I see a few folks in the attendee queue with their digital hand up. So as a reminder, we don't have the ability to let you ask a question yourself. So if you do want to ask a question, please type them into the Q&A so I can read them out to the panelists.

Zack, let me go to you with a question from Kai Ang, which was actually originally for Representative Luria, but I think it's really important to get out there. Could you elaborate on the role of the Quad in the South China Sea, and how does it interact with ASEAN?

Dr. Cooper: So some of my American friends, including you, Greg, may disagree with this assessment. But I think the framing that the administration is using is the right framing to talk about and to say that, you know, the Quad and ASEAN can be mutually reinforcing. I'm not sure that it's true, though. I think the reality is that part of why Washington has grown so enamored with the Quad is simply because ASEAN has proven sort of difficult to deal with, and because ASEAN is struggling so much to deal with challenges in Southeast Asia itself.

I think the Biden team really seriously wanted to engage with ASEAN right at the beginning of the administration. It found itself in a very difficult position, trying to engage when it couldn't easily sit down with Myanmar. And that meant that, you know, when the Biden team looked at the Quad, and it looked at ASEAN, and it tried to decide, you know, where was it going to invest energy, well, you had one grouping which was going to be very difficult to even have a meeting with and you had another one where you could press forward with initiatives pretty quickly. And so it's not a surprise that they chose to engage so deeply with the Quad.

But I do think that there is a bit of risk here. We can say all we want that ASEAN is central to the regional order, and, you know, that the Quad can reinforce ASEAN's centrality, but I think the reality is if you think about the Quad, right, it is a diamond. And in the middle of that diamond is ASEAN. And it's notable that we are working with the outside of that diamond more than the inside. And it's not because ASEAN as a grouping has, you know, proven so effective; it's because it hasn't. And so I think there's a real risk here for the Biden team. If you put too much energy and time into the Quad, you put yourself at some risk in Southeast Asia. At the same time, if you put too much time and energy into ASEAN, and ASEAN can't deliver, then you're stuck in a pretty difficult position where you don't have a strong regional order.

So do I think it's possible that in some areas, like vaccine efforts, that the Quad could deliver in Southeast Asia? Absolutely. And we should do everything possible to make that a reality. But I also think the stronger the Quad is, the more uncomfortable some of our friends in Southeast Asia will be. And that's just the reality that we're going to have to live with. And so what I hope the Biden team does going forward is, yes, of course, press ahead with the Quad as much as possible, but let's engage Southeast Asia directly.

And, you know, just to put my cards on the table, if I were the Biden team, I would be thinking really hard about having a presidential visit to Southeast Asia. And I wouldn't be giving my major address in Australia, or India, or Japan. I'd be giving it

in ASEAN. I'd be giving it, you know, maybe in some place like Indonesia, where that message is really going to resonate not broadly in the region, but in Southeast Asia in particular.

Mr. Poling: Nam Duong, Vietnam in both polling that CSIS has done and the ICs (ph) in Singapore has done, finds that the Vietnamese have by far the most positive outlook on the Quad among all Southeast Asians. So I'm curious, what do you see as the role of the Quad in the South China Sea?

Mr. Nguyen: Well, I'm not sure about the perception of – (inaudible) – somewhere in Southeast Asia. In Vietnam, we feel that the Quad is still quite distant because, you know, the regional architecture is still centered on the role of ASEAN. And I believe that, you know, if ASEAN doesn't play a role – a central role in this region, I don't think any other mechanism could, you know, take its place. Because I believe that original architecture centered on ASEAN is more inclusive. And it is accepted by all the major powers.

You know that Secretary Austin has already mentioned that the Quad is a good complementary mechanism. And I think I agree with him. And he also acknowledged that ASEAN could continue to play a central role. The ADMM-Plus is, you know, a very good, useful mechanism. And I believe that any mechanism – well, I think we should welcome now with diversity, and also the multiplicity of mechanism. But I believe that ASEAN still need to play a central role. Thank you.

Mr. Poling: Thanks. Let me give you another question, this one from W. Morgan Hyson with State Department again. Who asked: What would Vietnam most like to see from the United States in the South China Sea?

Mr. Nguyen: Well, you know that – I believe that we agree – not only the United States, but many now regional partner – that the regional order, the maritime order in the South China Sea should be rule based, and it should be peaceful, and stable, and with due regard to international law, especially UNCLOS – which should be absent of major power coercion, as when there's rivalry. So I believe that we do want to – not only the United States, but major power in the world, to reengage in this region so that we can create a kind of stable regional order with due regard to the rules and the norms and United Nations, you know, charter.

Bilaterally, I think that we also participate in U.S. program, for example, to enhance the regional maritime awareness. Also strengthen our capability with regard to our – you know, our capability in dealing with emerging security threats, also transnational security issues. And we would like to – you know, that the United States is a responsible partner and contribute to this region's stability.

Mr. Poling: Thank you, Duong.

Zack, I think this one is for you from Vu Hai Dang from the Centre for International Law at the National University of Singapore. China seems to condition cooperation with the United States on other areas, like climate change or on North Korea, with compromise in other areas. How should the Biden administration think about that balancing act?

Dr. Cooper:

Yeah. This is a great question. And I love – you know, my Chinese friends will often tell you, well, you shouldn't condition the relationship on X, but then they do condition the relationship on Y. My view is, we're going to have to have a relationship with China that is not dependent on success in one area affecting progress, or a lack of progress, is another. If we make some progress on climate change, that's fine. That doesn't alter our interests on the security side. And, you know, to be very honest, I'm skeptical that we're going to have an easy, cooperative relationship on climate change. But if we did, that doesn't mean that our concerns in the South China Sea, or Taiwan Strait, or on economic issues are going to go away.

So I think the only way for the United States to approach this is to be very clear and consistent about what our interests are and, indeed, what some core principles are that we hold as well, and not to be willing to follow the Chinese in sort of attaching requirements in one area for us to make progress in another. So if John Kerry is able to make progress with Beijing on climate change, great. And that isn't going to make the military relationship any less frosty. And vice versa. So I think that's the right approach.

Now, the one caveat I'll say is I think there are issues at times that we are going to have to raise as possible, you know, threats to the long-term health of the relationship, right? The Obama team, you may remember, did this back in 2015 when it said: Look, we can't have a good relationship if we are still under a massive number of hacking attacks against American businesses from the Chinese military. And it tried to condition the U.S.-China relationship a big on whether China would pull back from some of those efforts. And initially it seemed like there's a little bit of progress, and then it sort of fell apart.

And so I do think we have to make clear that there are probably some red lines for us, just like there are for the Chinese, that would make it very, very difficult for us to make any real progress with Beijing on any issue, right? Certainly, if you saw a military conflict between the U.S. and China, you know, an attack against a treaty ally like the Philippines, maybe even a very provocative move against Taiwan, that would make it almost impossible for us to work with China in other areas. Not just because it would be hard to have those negotiations themselves, but because politically here in Washington there wouldn't be any support for that kind of engagement.

So it's not that we can completely detach these issues, but I guess the core point is we can't assume that success in one area is going to result in success in others. I think, you know, failure in one area could result in failure in others. But unfortunately, this is the reality of the relationship as it stands. It is just incredibly tense, very hard for me to imagine anything in the relationship really improving certainly over the next year with the Olympics coming up and the People's Congress after that.

Mr. Poling:

Nam Duong, I'm going to give you the next one, which comes from Quoc Anh Tran at the Australian embassy in Hanoi. He asks: How will America's recent diplomatic efforts in Vietnam – specifically mentions the 5 million doses of vaccine delivered

this month, but I think he also means everything discussed this week by Secretary Austin in Hanoi – how will that shape cooperation between the two countries regarding the South China Sea?

Mr. Nguyen: Well, actually, the vaccine is really appreciated. It shows that the United States is really a friend in need because you know that we are looking all around the world for vaccine. Although Vietnam was initially quite successful in containing the pandemic, but now there is – you know, there is breakouts of the pandemic in the south of Vietnam so we do need vaccines. Although we have a domestic vaccine program, but it is quite behind, you know, the advanced country, where not only we need vaccine but we need co-production because we have a capacity. So we need cooperation with the United States and with other, you know, partner so that – for transfer of technology so that we can, you know, engage in the co-production of vaccine, you know, for the good of not only Vietnam but then we can assist other country and, you know, cooperate with the U.S. in assisting other countries as well.

Mr. Poling: Can I ask you a quick follow up? The MOU signed on legacies of war, which – U.S. universities are going to help Vietnam identify and track those missing in action from the war. How big a deal is that for Hanoi?

Mr. Nguyen: Well, you know, the war legacy issue is a longstanding issue. And we – and the United States and Vietnam have been cooperating with that for a very long time. Although the war, you know, it's 50 years ago, but there is a legacy is that unfulfilled that we still need, you know, cooperation in order to complete it, you know, for good.

So I feel that once we can settle all the historical issue, then it will open another page for Vietnam-U.S. cooperation. That is a brighter future for us. So let's settle it once and for all.

Mr. Poling: Thank you.

Zack, let's come back to you with a question from Eric Ferrancullo, who asked: With the emerging role of the Coast Guard in the region, what role would the U.S. Coast Guard play in the overall U.S. strategy?

Dr. Cooper: Yeah. Great question. And Greg, I know this is something you've thought a lot about as well.

So, obviously, the challenges we're facing in the region are just as much from nonmilitary vessels as they are from military vessels at the moment, and so that means that Coast Guard vessels not just from the United States but from Vietnam and the Philippines and Malaysia and others are really important. I think ideally the United States would have a significant Coast Guard presence not just in the South China Sea, but really in some of the Pacific islands to deal with fishing concerns. I think that would be well-received and it's something that, you know, really matches up well with what the region wants.

The tough question, though, is a bandwidth question for the Coast Guard, right? The Navy is stretched, and Representative Luria talked about this in detail and she's

written about it very thoughtfully. And one of the ways that the U.S. has tried to decrease some of the pressure on the Navy is to say, OK, well, we're going to have to take some forces, say, from Latin America and move those U.S. Navy forces out into the Pacific, and we've done that. And so what's happened in Latin America? Well, you have to backfill with something else, and you backfill primarily with the U.S. Coast Guard. So then it's hard for us to come back in and say, oh, now we also need the Coast Guard in large numbers in the Pacific.

I think that's still the right answer over the long term. I would hope that we can sort of shift a bit of our focus to put more of the Coast Guard into the Pacific to help our allies and partners, you know, especially, as I said, against illegal fishing. But I think we have to be very realistic that the Coast Guard's going to have pretty limited bandwidth in terms of ship numbers. And oh, by the way, you know, if you just look at the laydown, getting a couple of U.S. Coast Guard vessels into the Pacific when the Chinese have hundreds and hundreds of very large coast guard vessels, it's not going to fundamentally change the situation. But I do think it would send the right signal that the U.S. is focused on the things that its friends care most about, especially fishing rights.

Mr. Poling: Thanks.

Nam Duong, we've got a couple of questions about the COC from Paul Heer and from Dwi Luthfan in Indonesia, so I'm going to combine them and synthesize them. And basically the question is, why is it taking so long? And will there actually be a COC that the parties can accept?

Mr. Nguyen: Well, actually, I'm not very informed about the COC because, you know, that kind of negotiation is, you know, in the highly confidential. And I believe that the COC is a very long process, and now it's been – you know, we have been implementing the DOC for almost 20 years, and I believe that there is a lot of challenge for both the DOC and COC right now.

I think that after the Arbitral's award, there is an incentive for China to go for the COC, however in its own way. The pandemic, because that is a real problem to advance the COC, because that is for a kind of negotiation we need face-to-face meeting. The online meeting is just for dialogue and for discussion. It's not very good for negotiation. So we do need to meet face to face to engage in useful COC negotiation.

And I think that maybe there is some incentive for – in the next year or the next two years – I'm not very sure – but I believe that we do need a kind of a document that can advance regional stability. However, as I mentioned earlier, there are so many issues that we need to address – for example, the legal status, the geographical scope of the COC, the role of outsider. Anyway, countries like – you know, smaller country like ASEAN, we need a COC that is effective. It needs to be effective, substantive. And it should be, you know, accordant with international law, especially UNCLOS. We are not going to accept anything that go against UNCLOS or go against the United Nations Charter.

I also think that it should be widely accepted by not only regional country, but also by international partner, by the whole world, because the South China Sea is not only belong to this region, but it belong to the world. And there are so many user from, you know, around the world. So I think that this – the COC, once it have, it should be accepted and supported by as many country as possible and it should, you know, go along with international law.

Thank you.

Mr. Poling: Thanks.

Zack?

Dr. Cooper: Can I just say briefly? So I agree with all of that. I hope that turns out to be the case. I also fear that in 20 years when CSIS is holding, you know, the 31st South China Sea Conference, we're going to be having this same debate about whether, you know, we're actually going to have a COC. I have just watched over, you know, a decade or two as China in particular has slow-rolled this process one after another. And I think we have to be realistic that for all the reason that have been discussed the COC would be helpful, potentially, as – you know, it could be damaging if we're not careful, but I think it's likely to be helpful – but it's not really going to solve any of these core problems even if we get one. And I'm very doubtful that we're going to get one, you know, in the – in the near future.

Mr. Poling: I will refrain from putting down odds on a COC. I'll just remind everybody that the Philippines was tasked by ASEAN to write the first draft of the COC in I believe late 1997, and here we are in 2021 and the current draft, as far as we know, is weaker than that one written in 1997 that ASEAN agreed to and that China rejected.

So, with that, Zack, let me – let me stay with you on a completely different topic but one I think is related. Kensuke Abe with Marubeni Corp asked: Could you evaluate the potential implications of the U.S. Innovation and Competition Act on the South China Sea issue? And do you think such legislation will actually pass Congress?

Dr. Cooper: That is a great question, Abe-san.

So I think the reality is that most of the legislation on China, especially on the economic competition with China, doesn't have a very direct effect on South China Sea issues. It has maybe a long-term effect on Washington's ability to compete with Beijing, and if we're smart it should have a long-term effect on our ally and partners' capabilities to compete with Beijing as well, but I think right now, you know, the legislation we're seeing is largely focused especially on some tech issues – in providing subsidies, to be very frank, to U.S. companies, especially chipmakers, and providing a bit of money also for research-and-development issues, some that would be helpful on defense but most that are more broadly economic in nature.

So do I think that kind of legislation is positive? Yes. Do I think it would have a direct effect on South China Sea issues? No.

I would say, though, the odds are high that we're going to see some of this legislation passed. I think part of the challenge here is that the Senate pushed forward quite quickly with a bill that Senator Schumer really wanted to get through; the House wasn't quite there yet. So it's going to take some more time for the House to decide exactly what it thinks the legislation should look like and then for the House and the Senate to negotiate. But I do think we're going to see legislation at some point here – probably later in the fall, maybe related to the National Defense Authorization Act – that will provide some additional support for the U.S., especially on the technology competition that we're seeing with China.

Let me just say one other thing, though, which is, you know, this is related more broadly to U.S. resourcing for the competition with China, and that is a question that I think is still very much up in the air. So, you know, what we've seen so far from the Biden team is promises to make China the pacing challenge. But we haven't really seen major resource changes in that regard, especially on the defense side. And I think we'll have to watch that very closely.

Greg, if you'll permit me, I'll just do 30 seconds of plugging a new joint CSIS-American Enterprise Institute and War on the Rocks effort. We just released the last few days a website called the Defense Futures Simulator, DefenseFutures.net, that allows you to actually look at the defense budget and change how U.S. spending is happening, and to do some pretty interesting strategic analysis, I think, where you could increase or decrease the amount of focus that the U.S. gives to, let's say, great-power competition and see how that might change the budget.

I think those strategic debates about how we're spending money and what we're spending it on on the defense side are still very much up in the air. So I think we should watch the Strategic Competition Act and all of the related bills, but let's also be paying pretty close attention to what happens in the National Defense Authorization Act later this year. That's probably going to affect the South China Sea much more directly.

Mr. Poling: Thanks.

Nam Duong, we have a question from Joe, whose last name and affiliation I don't know but I think it's a good question: As history has been proved, Vietnam is very good in keeping a balance between the U.S. and China. It doesn't seem like Vietnam has a strong will to be an ally with the U.S. – or anybody else, I would add. So I guess the question is, how do you see Vietnam's balancing act between Beijing and Washington playing out in the future?

Mr. Nguyen: Well, it is correct that we are not an ally of any country in the world right now. We have a no-alliance policy.

And, well, I feel that if you call it a balance, but we do need, you know, cooperation as well as a relation of friendship with all the major power in the world, especially, you know, the two superpowers in the world today – that's China and the United States. Well, in the future I think that if it has been a successful policy, I don't think that we are going to make a big, significant change in the future. Our foreign policy

is quite consistent. Vietnamese foreign policy is quite consistent in the past few decades. And if it was successful, why do we need to change it?

However, we are mindful of the fact that, you know, in the world now is economic interdependence. And also, we are now a member of ASEAN, and I think ASEAN is also a good umbrella for us. That's why we advocate a central role of ASEAN. And we will stay in ASEAN, and we will make ASEAN a cornerstone of our foreign policy.

You know, being a member of ASEAN also give a chance, an opportunity, to engage with the United States, as well as engage with the European Union and China. Through ASEAN and through ASEAN-based mechanism, like, you know, East Asia Summit or ADMM-Plus, that we have a good, you know, position. We are, you know, in a good location. We engage to further our bilateral relation with the United States. So if you call it now a balance that that is the kind of balance that I'm advocating.

Mr. Poling: Thank you. Zack, how about we go to Charles with the U.S. Marine Corps, who says he'll be deploying to the region very soon. He asked: What more should the U.S. be doing for partners and allies in the region to help them enforce their maritime claims? We've spoken about this a bit already, but I wonder if you want to elaborate. And in particular, if I can put a little pressure on you to address the VFA agreement – or, the VFA salvaging. What kind of doors does that open, in your opinion, for U.S.-Philippines coordination?

Dr. Cooper: That's a great question. And I like your framing, Greg.

From my perspective, the issue here is we obviously – let's take the Philippines first, right? We have a treaty commitment with the Philippines. And we've clarified that treaty commitment and said that it applies in the South China Sea. And, you know, it is very possible that we could see an incident that would invoke that treaty. What's under question now, because of the actions in particular of the Duterte administration, is whether the U.S. actually has the ability to follow through on that treaty commitment.

And so my personal view would be that what the United States needs most desperately in the region is more access, right, from the military side. We need the ability to operate forces in the region, not just sometimes here and there – and, you know, Representative Luria, I think, has been a leader on this issue. There are two ways of thinking about how the U.S. should be postured in Asia. One is that we're going to have a big fight with China, and we should fight from over the horizon with long-range bombers flying from, you know, maybe even the continental United States, and submarines, and its focus on the big war. And it sees presence in the region as a risk.

My personal view, and this is what Elaine Luria said so eloquently, and she's written about this, is that's the wrong way to think about this. Actually, if what we're worried about is deterring actions that we find highly concerning, we have to be in the region. We have to be in the region to demonstrate commitment, not just to China but to our allies and partners as well. And that means not being just in Okinawa, and Guam, and Diego Garcia, and sometimes in northern Australia. It

means being in Southeast Asia. And so I think the more that our friends in Southeast Asia can provide access – I'm not talking about bases here, right? No one's talking about going back to Clark Air Force Base being a huge American base. We're talking about access.

And in the Philippines, we're talking in particular about the enhanced defense cooperation agreement and the five bases that we were supposed to have access to years ago. I think it's unrealistic to expect that we're going to see U.S. forces operating in significant numbers from those bases in the next year. I do think, depending on what happens in the Philippines after Duterte leaves office that the U.S. should be pushing incredibly fast for more access to those facilities. Because it's not about just helping the United States. This is actually about the United States helping fulfil its treaty commitment to the Philippines, right? So it's in our interest as allies that we can do that. And oh, by the way, if we can operate more in the Philippines that helps us with Vietnam and helps us if Malaysia asks for assistance.

So I think that the Philippines is going to be the huge focus, which is why the news this morning of the VFA being, you know, renewed really was just what the doctor ordered. This is exactly what the Biden team needs to do. And it sets them up, I think, very well for what might be some real progress in that alliance over the next few years.

Mr. Poling:

Thanks, Zack.

All right, we are at 9:59. So I'm going to cut it off there. I'm going to thank both Zack and Nguyen Nam Duong for your time, and especially Representative Elaine Luria for taking the time out this morning to give the keynote. I am sorry, again, that Bonny Lin couldn't join us, and we wish her the best. I will try to lasso her into a future session here. And as a reminder, we will have three more of these, about one a month. Look at your email inboxes to get the dates and the agendas, but sometime in late August, late September, and late October. Maybe if we're lucky by late October we can even do one of these hybrid. With that, thank you all for taking the time out and we'll see you next time.

(END)

