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GETTING PAST CONSTRAINTS

DEEPENING U.S. SECURITY RELATIONS WITH VIET NAM AND INDONESIA

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Getting past constraints: Deepening U.S. security relations with Vietnam and Indonesia

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Pacific Forum, in collaboration with local partners, the Diplomatic Academy of Vietnam (DAV), and the Foreign Policy Community of Indonesia (FPCI), organized the Track 2 U.S.-Vietnam and U.S.-Indonesia Security Dialogues in August 2022. With support from the Defense Threat Reduction Agency (DTRA), ten U.S. strategic thinkers, including scholars, policy experts, and retired military and government officials, traveled to Hanoi on August 3-5, 2022, and to Bali on August 9-11, 2022, to meet and engage with 19 counterparts from Vietnam and 14 from Indonesia. Both Track 2 dialogues included one day of panel discussion on thematic issues and one day devoted to a scenario-based exercise.

The recommendations contained in this report, unless otherwise specifically noted, were generated by the discussions as interpreted by the Principal Investigators. This is not a consensus document. Both the agenda and participant list are included in the appendix; all participants attended in their private capacity.

The statements made and views expressed in this publication do not necessarily reflect the views of the Pacific Forum, the project sponsors, or the dialogue participants' respective organizations and affiliations. For questions, please email jeffrey@pacforum.org.

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Getting past constraints: Deepening U.S. security relations with Vietnam and Indonesia

Executive Summary

Vietnam and Indonesia are important security partners of the United States in Southeast Asia. In August 2022, Pacific Forum reconvened two Track 2 bilateral security dialogues to help identify ways the United States and the two Southeast Asian partners can work together to surmount problems in their respective relationships that hinder bilateral cooperation on security issues of shared concern, re-converge their national interests, and enhance partnerships. The 2022 iterations, held in-person, in Hanoi and Bali, served as a follow on to the outcomes of the 2021 virtual dialogues and aimed to clarify outstanding issues and delve more deeply into substantive topics to generate actionable and operationally relevant recommendations.

INTRODUCTION

Pacific Forum reconvened two Track 2 dialogues with Vietnam and Indonesia in August 2022 to help identify ways the United States and its two Southeast Asian partners can work together to enhance bilateral cooperation on security issues of shared concern. Functional cooperation between Washington and its two Southeast Asian partners has considerably advanced in the past ten years, but differing strategic considerations still handicap some aspects of these relationships. The two security dialogues emphasized these findings, among other takeaways.

FINDINGS SUMMARY

In its February 2022 Indo-Pacific Strategy document, the United States stressed that “collective efforts over the next decade will determine whether the PRC succeeds in transforming the rules and norms that have benefitted the Indo-Pacific and the world.” The 2021 U.S.-Vietnam and U.S.-Indonesia security dialogues had made clear that such framing would not generate broad Southeast Asian cooperation. This year’s dialogues echoed similar themes while underscoring functional cooperation as vital to the two countries’ security relations with the United States. Their strategic autonomy and agency are central to their response to threats from Beijing, and they are reluctant to align outright with the United States on China-related strategic considerations. Nevertheless, Indonesia and Vietnam are interested in working with the United States when it strengthens their strategic autonomy and ability to stand up to threats, including those from China. Two interconnected factors determine Indonesian and Vietnamese strategic thinking regarding China’s assertive behavior and willingness to cooperate with the United States on security issues. First, geography makes China an everyday presence for Hanoi and Jakarta and their economies. Second, the self-help regional security environment compels Jakarta and Hanoi to be extra cautious in dealing with Chinese assertiveness. They are not U.S. treaty-allies. Vietnamese and Indonesian interlocutors do not expect the United States to defend Vietnam and Indonesia should Beijing use force.

METHODOLOGY

Pacific Forum, in collaboration with the Diplomatic Academy of Vietnam (DAV), and the Foreign Policy Community of Indonesia (FPCI), organized the Track 2 U.S.-Vietnam and U.S.-Indonesia Security Dialogues in August 2022. With support from the Defense Threat Reduction Agency (DTRA), ten U.S. strategic thinkers, including scholars, policy experts, and retired military and government officials, traveled to Hanoi on August 3-5, 2022, and to Bali on August 9-11, 2022, to meet and engage with 19 counterparts from Vietnam and 14 from Indonesia. Both dialogues included one day of panel discussion on thematic issues and one day of scenario-based exercise. The agenda for each dialogue underwent pre-dialogue “socialization” with key stakeholders from the United States, Vietnam, and Indonesia to ensure topics for discussions were relevant to the national security interests and priorities of all

concerned states. The following are the key findings and recommendations from the two dialogues.

KEY FINDINGS AND RECOMMENDATIONS FROM THE TWO SECURITY DIALOGUES

Finding: China has specifically designed its operations in the South China Sea to avoid thresholds for escalation and response by using civilian or non-military actors to operationalize claims using tactics that fall short of kinetic armed conflict. China would perceive any response to a gray zone coercion either as “escalatory” – possibly provoking a stronger Chinese response that could result in a complete reversal of status quo of certain features – or “muted” – which could encourage Beijing to attempt more coercive maneuvers.

- **Recommendation:** The United States and its partners must challenge the narrative surrounding the existence of civilian and non-military actors in the South China Sea. First, Washington should support regional partners’ efforts to identify, document, and publicize militia operations, including publishing photos and videos in open source, disseminating evidence in Track 1 forums and venues like the Association of Southeast Asian Nations (ASEAN) Defense Ministers Meeting Plus and the International Maritime Organization (IMO). Second, Washington must link the behavior of China’s maritime militia and Coast Guard to its interactions with the PLAN. The United States should communicate publicly and privately that it expects the PLAN, the Coast Guard, and the maritime militia to abide by the internationally recognized standards of seamanship and communications, including the Code for Unplanned Encounters at Sea (CUES).

“Their strategic autonomy and agency are central to their response to threats from Beijing, and they are reluctant to align outright with the United States on China-related strategic considerations.”

- **Recommendation:** Washington should take three actions to address the gradual, non-kinetic nature of China’s gray zone tactics. First, it should help improve situational awareness through capacity-building efforts that enhance partners’ maritime domain awareness, such as through provisions of maritime Intelligence, Surveillance, Reconnaissance (ISR) capabilities, including remote sensing tools, unmanned platforms, and coastal radar. Second, it should help address the asymmetry in capabilities by tailoring defense assistance to partners with more surface assets to maintain sustained presence and expanding maritime law enforcement capabilities through initiatives like Coast Guard ship-riding programs. Finally, the United States and its partners should thoroughly discuss potential non-kinetic tactical responses to harassment.
- **Recommendation:** The United States should establish a task force within the Seventh Fleet, modeled on Task Force 59 in the Fifth Fleet, to develop and deploy unmanned and automated maritime domain awareness

platforms in coordination with Vietnam and other regional partners. This could vastly improve the ability to monitor and identify Chinese gray zone actors in a persistent and affordable manner.

Finding: U.S. efforts at direct deterrence (e.g., U.S. Navy operations to defend its own freedom of navigation) in the South China Sea have been much more successful than extended deterrence (e.g., assisting Vietnam and other coastal states in the region to protect their own maritime rights and interests against Chinese coercion).

- **Recommendation:** The United States should reinforce the principle of freedom of navigation in the South China Sea by clearly articulating through official documents and in meetings with China that the use of force to deny U.S. civilian or military vessels from rightful access to the South China Sea is a red line for the United States.
- **Recommendation:** The United States should articulate through official documents and in meetings with regional states that changing the status quo of disputed features by using force or gray zone coercion (e.g., ejecting existing Vietnamese presence on a disputed land feature) is another U.S. red line. The United States should engage its regional partners to establish acceptable parameters for a combined response and then respond appropriately in coordination with partner countries.

Finding: In a gray zone maritime crisis involving China, Vietnam will simultaneously de-escalate by engaging Beijing and defend its interests by deploying non-military assets to assert presence or control. Coordinating with Washington to address a China-related gray zone crisis would not be a top priority for Hanoi. Meanwhile, Indonesia will resolutely respond to a gray zone crisis by safeguarding its interests and preventing a *fait accompli* while maintaining its strategic autonomy. Jakarta will use its diplomatic, military, and paramilitary assets to maintain the status quo. The Indonesians would prefer the United States carefully balance its engagement and avoid direct involvement in any Indonesia-China tension. Both Hanoi and Jakarta expect that their strategic space to de-escalate or arrive at an acceptable solution would be severely constrained once the United States is directly involved, and the crisis would be reframed in the context of “great power competition.”

- **Recommendation:** Addressing a gray zone crisis requires coordination between Washington and the partner country directly involved. In this regard, the United States should immediately consult with partner countries about the best course of action before making any move.

Finding: Beijing is unlikely to use outright aggression against Southeast Asian states. Instead, China will continue to push the envelope in the South China Sea and elsewhere through gray zone/non-kinetic means. Absent any effective response, Beijing will achieve more *fait accomplis*, which are extremely difficult to roll back without the use of force.

- **Recommendation:** The United States should continue to devote more resources (e.g., by sponsoring more

tabletop exercises, research, and dialogues) to better understand China’s use of gray zone coercion and draft plans accordingly. The United States should also discuss potential responses to counter gray zone coercion with partners and allies.

KEY FINDINGS AND RECOMMENDATIONS FROM THE U.S.-VIETNAM SECURITY DIALOGUES

Finding: Vietnam’s policy documents regard defense cooperation, including joint exercises, with other countries as important “to improve capabilities to protect the country and address common security challenges.” However, Vietnam makes a distinction between military exercises that are aimed at developing war-fighting skills (*tập trận*) and military training exercises to learn or improve basic skills (*diễn tập*). Vietnam will not participate in the former with the United States, which could potentially explain Hanoi’s lack of interest in joining the Rim of the Pacific (RIMPAC) exercise.

- **Recommendation:** When the United States invites Vietnam to join a bilateral or multilateral exercise, Washington should clarify that the purpose is to improve basic skills (*diễn tập*). In bigger exercises like the RIMPAC, U.S. invitation extended to Hanoi should stress the *diễn tập* value of the activities.

Finding: The United States sees Hanoi as a stabilizing force in the region. Vietnam has shown determination to continue the trajectory of its military modernization, which could present opportunities for the United States, not just in providing hardware, but also in deepening institutional ties, interoperability, and long-term trust. In 2021, Vietnam committed to “building a streamlined and strong Army by 2025, and a revolutionary, regular, highly-skilled and modern People’s Army by 2030,” vowing to prioritize Air Defense/Air Force Service, Navy, Signal Force, Electronic Warfare Force, Technical Reconnaissance Force, Cyber Warfare Force, and Cipher (cryptology) Force.

- **Recommendation:** Washington could offer to help Hanoi realize some of the aspects of its 2030 military modernization plan, for example, by building on the successful U.S.-Vietnam deal for the transfer of three T-6 trainers by 2023, along with spare parts and a maintenance package. The U.S. should continue to probe Vietnamese willingness to purchase more T-6s with a package including simulators, maintenance, and participation in an expanded aviation leadership program. This could provide the basis for Vietnam to acquire more advanced fighter jets in the future. Helping modernize Vietnam’s military capabilities could promote mutual trust, which in turn could result in deeper bilateral cooperation. It could also help Hanoi secure its maritime zones amidst Chinese coercion and contribute to regional security free from Chinese dominance.

Finding: Vietnam is unlikely to reinvigorate its civilian nuclear power program in the near future. Despite the high expectations surrounding the advent of Small Modular Reactors (SMRs), interest in Vietnam is still not enough to push policymakers to reconsider a 2016 decision to halt

Vietnam's pursuit of nuclear energy. The view remains that Vietnam and Southeast Asia broadly have considerable alternatives to nuclear power. Nevertheless, Vietnamese experts stressed that SMRs and floating nuclear power plants are important topics for research, but any development is beyond the 10-year horizon.

- **Recommendation:** The U.S. Government should provide educational opportunities for Vietnamese nuclear engineers and nuclear policy/security experts. This would ensure that U.S.-educated engineers and experts are readily available should Hanoi decide to restart its civil nuclear program. This would counter potential Chinese or Russian influence in determining the trajectory of Vietnam's nuclear energy policy.

Finding: The U.S. and Vietnamese responses to the Itu Aba exercise conducted at the U.S. Vietnam Track 2 dialogue revealed the undercurrents in U.S. and Southeast Asian strategic thinking. First, Washington would not go to war against China to defend partner countries over small offshore territories in the South China Sea. Second, Southeast Asians' primary consideration when dealing with Chinese provocation is the idea that when hostilities escalate, they are on their own. U.S. partners do not expect the U.S. military to fight for them should there be a conflict.

- **Recommendation:** U.S. capacity-building initiatives should focus on helping partner countries obtain capabilities that allow them to maintain an active, sustained and visible presence in their own maritime zones. This means providing partner countries with surface assets like law enforcement patrol vessels that are capable of navigating their vast exclusive economic zones for longer periods and with the capacity to respond to Chinese coercion.

KEY FINDINGS AND RECOMMENDATIONS FROM THE U.S.-INDONESIA SECURITY DIALOGUES

Finding: Disagreement related to Archipelagic Sea-Lane (ASL) passage could become a long-term operational issue between Indonesia and the United States. The United States wants Indonesia to allow all navigational rights and freedoms within its archipelago as described in the United Nations Convention on the Law of the Sea (UNCLOS). Indonesia, however, remains reluctant to introduce more archipelagic sea-lanes, fearing the presence of more foreign warships in its archipelagic waters.

- **Recommendation:** The United States should have regular, standalone maritime security dialogues with Indonesia at the Track 1 and Track 2 levels to understand the factors that inhibit Indonesia from fully complying with the ASL provisions of the UNCLOS and help reassure Jakarta that U.S. military operations fully respect Indonesian sovereignty and territorial integrity. On the former, Indonesia's lack of maritime domain awareness may be discouraging it from establishing additional ASLs, in which case the United States could be helpful. On the latter, regular interactions between Indonesian and U.S. maritime institutions and experts would increase trust over time, which could lead to more maritime cooperation that accommodates both U.S. preferences and Indonesian interests.

Finding: Indonesia's growing Anti-Access/Area Denial (A2/AD) capabilities, while not targeted at any specific country, could complicate assumptions about force flows, supply chains, and ally reinforcements. In this context, Indonesia could potentially close off its waters from all military forces, including the United States and its treaty allies, in the event of a crisis, for example, over Taiwan.

- **Recommendation:** U.S. military planning should take into account access to Southeast Asian territorial seas, and archipelagic waters (including their airspaces) to assess the impact of potential restrictions or differing interpretations of international maritime law.
- **Recommendation:** More U.S. Government-sponsored dialogues and tabletop exercises should include Indonesia and other important partner countries in Southeast Asia to help promote common understanding and appreciation of key issues that arise during crises.

Finding: Two U.S.-led frameworks, the Global Initiative to Combat Nuclear Terrorism (GICNT) and the Proliferation Security Initiative (PSI), could assist Indonesia with its Counterterrorism and Counterproliferation capacity-building. Neither the GICNT nor the PSI creates new obligations for participating states. Instead, cooperation is voluntary, with individual members' respective national authorities coordinating to help ensure that bad actors, including extremists, do not obtain Weapons of Mass Destruction (WMD)-related materials. Indonesia's persistent refusal to join U.S.-led security institutions is a political decision, rather than an objection to their operating principles.

- **Recommendation:** Washington should clearly articulate in Track 1 dialogues involving policymakers that both GICNT and PSI would allow Indonesia to remain carefully protective of its own national sovereignty and independence. The United States should also underscore the multilateral nature of these arrangements.

**Getting past constraints:
Deepening U.S. security relations with
Vietnam and Indonesia**

Report from Track II Dialogues

Jeffrey Ordaniel and Carl Baker

INTRODUCTION

Vietnam and Indonesia are important security partners in Southeast Asia. Pacific Forum reconvened two Track 2 bilateral security dialogues to help identify ways the United States and the two Southeast Asian partners can work together to surmount problems in their respective relationships that hinder bilateral cooperation on security issues of shared concern, re-converge their national interests, and enhance partnerships. The 2022 iterations, held in-person, in Hanoi and Bali, served as a follow on to the outcomes of the 2021 virtual dialogues and aimed to clarify outstanding issues and delve more deeply into substantive topics to generate actionable and operationally relevant recommendations.

Vietnam's improved ability to maintain presence and secure its maritime entitlements in the South China Sea amidst coercion from Beijing is not good only for Hanoi; it also supports a free, open, and rules-based Indo-Pacific. Indonesia, meanwhile, is the world's largest archipelagic state facing both the Pacific and the Indian Oceans and the *de facto* leader of the Association of Southeast Asian Nations (ASEAN). While it has stressed its strategic autonomy and desire to avoid so-called "great power competition," it has also expressed interest in more security cooperation with the United States, making it a promising partner in shaping the regional security architecture to accommodate broad U.S. interests.

Functional cooperation between Washington and its two Southeast Asian partners has considerably advanced in the past ten years, but differing strategic considerations, especially in relation to China, still handicap some aspects of these relationships. The 2022 U.S.-Vietnam and U.S.-Indonesia security dialogues emphasized these findings, among other takeaways.

FINDINGS SUMMARY

In its February 2022 Indo-Pacific Strategy document, the United States described China's coercion and aggression as "most acute in the Indo-Pacific....Our collective efforts over the next decade will determine whether the PRC succeeds in transforming the rules and norms that have benefitted the Indo-Pacific and the world."ⁱ

The 2021 U.S.-Vietnamⁱⁱ and U.S.-Indonesiaⁱⁱⁱ security dialogues had made clear that the framing laid out in the February 2022 Indo-Pacific Strategy document would not generate broad Southeast Asian cooperation. Overall, this year's bilateral security dialogues echoed similar themes. Vietnam and Indonesia consider functional cooperation vital to their security relations with the United States. Their strategic autonomy and agency are central to their response to threats from China, and they are reluctant to align outright with the United States on China-related strategic considerations.

Indonesia and Vietnam are interested in working with the United States when it strengthens their strategic autonomy and ability to stand up to threats, including those emanating from China. Two interconnected factors determine Indonesian and Vietnamese strategic thinking regarding China's assertive behavior and willingness to cooperate with the United States on security issues. First, geography makes China an everyday presence for Hanoi and Jakarta and their economies. Moreover, they see U.S. regional military and diplomatic presence as contingent

and inconsistent. Second, the self-help regional security environment compels Jakarta and Hanoi to be extra cautious in dealing with Chinese assertiveness. They are not U.S. treaty-allies. Vietnamese and Indonesian interlocutors do not expect the United States to defend Vietnam and Indonesia should Beijing use force. This is compounded by China's gray zone coercion, which the Vietnamese and Indonesian governments should manage carefully to avoid outright conflict. Because Indonesia and Vietnam consider Washington risk-averse and unlikely to set new redlines to challenge China's persistent efforts to change the status quo, they are unlikely to consider escalatory maneuvers to address Chinese assertiveness.

METHODOLOGY

Pacific Forum, in collaboration with local partners, the Diplomatic Academy of Vietnam (DAV), and the Foreign Policy Community of Indonesia (FPCI), organized the Track 2 U.S.-Vietnam and U.S.-Indonesia Security Dialogues in August 2022. With support from the Defense Threat Reduction Agency (DTRA), ten U.S. strategic thinkers, including scholars, policy experts, and retired military and government officials, traveled to Hanoi on August 3-5, 2022, and to Bali on August 9-11, 2022, to meet and engage with 19 counterparts from Vietnam and 14 from Indonesia. Both Track 2 dialogues included one day of panel discussion on thematic issues and one day devoted to a scenario-based exercise.

During the panel sessions, Pacific Forum asked experts to provide framing remarks and brief presentations on dialogue topics, which were followed by plenary discussions. During the scenario-based exercise, participants broke into two groups—the United States and Vietnam/Indonesia—to strategize and respond to a scenario with answers to set questions. The agenda for each dialogue underwent extensive pre-dialogue "socialization" with key stakeholders from the United States, Vietnam, and Indonesia to ensure topics for discussions and actionable recommendations were relevant to the national security interests and priorities of all concerned states.

ANALYSIS

Functional bilateral security cooperation should remain the highlight of U.S. security relations with Vietnam and Indonesia. Hanoi and Jakarta will continue to welcome (if not expect) U.S. assistance activities, particularly those that increase maritime domain awareness and provide more capacity-building for military and paramilitary institutions. However, in the next five to 10 years, it is unlikely that functional cooperation will evolve into coordinated strategic efforts that could directly counter China at the regional level. Even in a contingency situation that would challenge their individual sovereignty, Vietnam and Indonesia apparently have little inclination to seek direct assistance from Washington.

U.S.-Vietnam security relations: aligned and functional, but *China factor* remains constraining

Because last year's dialogue identified maritime security, particularly in the South China Sea, as the issue that aligns U.S. and Vietnamese security interests, this year's dialogue devoted more time to the topic. This year's discussions included enhancing military-to-military cooperation within the broader context of pushing back against China's coercive maneuvers in the South China Sea. Nevertheless, Vietnamese strategic consideration became

apparent when some participants made clear that Hanoi remains uncomfortable in publicly and directly resisting China. Vietnam is aware it is no match for China, and it does not want to rely on another country in the event of an armed conflict. Vietnam prefers a more measured response to Chinese provocations. Vietnamese political leaders can also be sensitive about “uncontrolled” public opinion limiting their strategic space to maneuver in future crises. Finally, there remains no significant interest among Vietnamese policymakers to pursue nuclear energy aggressively, despite the promise of small modular reactors and potential U.S. assistance. In the end, while U.S.-Vietnam security cooperation is aligned and functional, it remains constrained by Vietnam’s wariness of isolating itself from other countries in Southeast Asia and risking its broader relationship with China.

Maritime security in the South China Sea

U.S. and Vietnamese experts recognize that a combination of “deterrence, intelligence collection, and public diplomatic and economic cost imposition” is key to securing Washington and Hanoi’s national interests in the South China Sea. Nevertheless, operationalizing those concepts in ways that shape Chinese behavior is difficult. This was apparent when dialogue participants discussed what Beijing has been able to accomplish in the past several years to the detriment of Vietnam and other Southeast Asian countries, underscoring the difficulty of responding to “gray zone” operations.

Since 2013, when Beijing started building artificial islands and militarizing features in the Spratlys, Chinese gray zone coercion against Vietnam and other Southeast Asian claimants has steadily increased. China has forward deployed the People’s Liberation Army Navy (PLAN), the China Coast Guard (CCG), and maritime militia vessels to the Spratlys. PLAN vessels intimidate while CCG and militia vessels persistently harass peacetime activity by China’s neighbors. Militia and CCG vessels have also operationalized Chinese claims to significant portions of the exclusive economic zones (EEZ) of Vietnam and other Southeast Asian states. Because those Chinese vessels are non-military, responses from Vietnam and other Southeast Asian countries are muted. Chinese militia boats are often present for extended periods in the EEZs of other states without any escalatory response from the Southeast Asian countries because China can frame the militia activity as private and civilian. This reinforces the illusion of normal Chinese fishing activities in Chinese-claimed waters, although they were not in those areas until recently.

The militia vessels—both the state-owned ships registered in Sansha City in the Paracels and the larger fleet of heavily subsidized Spratly Backbone Fishing Vessels from Guangdong—now operate continuously in the Spratlys. On any given day, roughly 300 subsidized fishing boats loiter in the Spratlys but do not actually fish. Maritime militia boats, backed by CCG vessels, regularly attempt to prevent the Philippines’ rotation and resupply missions on the Second Thomas Shoal. Because Beijing can apparently employ this kind of gray zone coercion against a U.S. treaty ally with impunity, some participants

wondered what would prevent China from doing the same against Vietnam’s many small and isolated outposts in the Spratlys in the future.

China also uses its “pretend” fishing boats to justify the presence of CCG vessels, which allows the Chinese to claim “routine” administrative presence throughout the areas included in the nine-dash line. In the event of an engagement, CCG and PLAN vessels weaken the position of Vietnam and others in the region, providing China with escalation dominance.

Since 2018, China has met all new attempts by Southeast Asian states to explore hydrocarbon resources in their own Continental Shelf inside the nine-dash line with a dangerous CCG response. In addition to preventing others from benefitting from their own maritime entitlements, China has regularly deployed its state-owned marine survey fleet to conduct seabed surveys in Southeast Asian waters. U.S. interlocutors speculate that if Chinese gray zone coercion continued at this pace, it would soon be “impossible for Vietnam and other Southeast Asian states to pursue normal peacetime activities” as the risk would be too costly and sustaining presence would be expensive. This would make the illegal nine-dash line a *fait accompli* and represent a major blow to U.S. credibility as a regional security provider and to international maritime law.

The dialogue did not generate a workable U.S.-Vietnam solution to Beijing’s behavior. Discussions pivoted to understanding why China’s gray zone activities are successful. Participants generally agreed that China specifically designs its operations in the South China Sea to avoid thresholds for escalation and response by using civilian or non-military actors to operationalize claims using tactics that fall short of kinetic armed conflict. Participants lamented the inadequate response options to gray zone coercion—“escalatory” responses could provoke a stronger Chinese response and result in a complete reversal of status quo over certain features, while “muted” responses could encourage Beijing to attempt maneuvers that are more coercive. Some Vietnamese participants also

“...China specifically designs its operations in the South China Sea to avoid thresholds for escalation and response by using civilian or non-military actors to operationalize claims using tactics that fall short of kinetic armed conflict.”

stressed that directly and blatantly seeking U.S. assistance could be escalatory. Doing so could anger China and compel it to punish Vietnam. Vietnamese participants do not expect the United States to fight China on behalf of Vietnam in a conflict in the South China Sea.

In sum, China’s actions in the South China Sea continue to create tension in the maritime security environment for Vietnam and other Southeast Asian claimants. Nevertheless, U.S. efforts to defend its own interest in freedom of navigation have been reasonably successful. While small Chinese commercial craft have occasionally sailed dangerously close to U.S. vessels (e.g., during USS Lassen’s 2015 Freedom of Navigation Operations in the Spratlys), Chinese Government vessels have, so far, refrained from outright interference with these

operations. Some participants noted that U.S. vessels still enjoy relative military superiority. However, in extended deterrence efforts—assisting Vietnam and other coastal states in the region to protect their own maritime rights and interests against Chinese coercion—the United States has been much less successful. Participants cited three reasons: 1) U.S. vessels cannot be everywhere at all times, which undermines effective deterrence by denial since China enjoys predominant local power; 2) Washington has adhered to a policy of restraint, which undercuts any attempt at deterrence by punishment; and 3) extended deterrence is generally more difficult than direct deterrence because it often raises questions of political will. On the latter, U.S. experts at the dialogue noted that there had been a “substantial coalescing of political will” among U.S. political leaders to deter Beijing’s coercive behavior, as demonstrated in official documents such as the U.S. Indo-Pacific Strategy^{iv} and the unclassified National Defense Strategy fact sheet.^v

Understanding military capabilities, postures, and expectations

The first iteration of the dialogue underscored the United States’ growing interest in contributing to Vietnam’s military modernization since Washington increasingly sees Hanoi as a stabilizing force in the region. Hanoi has also expressed interest in potential U.S. assistance to diversify its defense procurement. To understand Vietnamese needs and U.S. interests, this year’s dialogue included an extensive discussion of Vietnam’s force modernization, which experts noted has focused on three sectors over the past 20 years: the Navy, air defense, and national defense industry. Vietnam’s Navy acquired eight Svetlyak-class missile patrol craft, eight Molniya-class missile corvettes, four Gepard-class missile frigates, and six improved Kilo-class conventional submarines. These acquisitions transformed Vietnam’s Navy from “a brown water, inland and coastal force to a green water force” capable of operating in the South China Sea. Moreover, Vietnam’s Air Force acquired 36 Su-30 multi-role jet fighters and the S-300 air and Bastion coastal defense systems. Vietnam developed its national defense industry to maintain and repair newly acquired weapons and platforms, co-produce a variety of anti-ship and anti-air missiles, assemble missile fast attack craft, and build vessels of various tonnage for the Coast Guard. Overall,

reconnaissance (ISR) capabilities in air/space reconnaissance, ground reconnaissance, and maritime surveillance. Vietnam also requires improvements in airlift and maritime transport and anti-submarine warfare capabilities.

Vietnam has shown determination to continue the trajectory of its military modernization, which could present opportunities for the United States, not just in providing hardware, but also in deepening institutional ties, interoperability, and long-term trust. In February 2021, during the 13th National Congress, the Vietnam Communist Party, through a resolution, committed to “building a streamlined and strong Army by 2025, and a revolutionary, regular, highly-skilled and modern People’s Army by 2030.” The resolution stated that, up to 2025, Vietnam would prioritize achieving organizational structure; training; military standards, discipline, and administrative reform; and selective modernization of the Air-Defense/Air Force Service, Navy, Signal Force, Electronic Warfare Force, Technical Reconnaissance Force, Cyber Warfare Force, and Cipher (cryptology) Force.

In this context, Vietnamese and U.S. interlocutors explored opportunities for cooperation. They noted that Vietnam’s 2019 Defense White Paper underscored the importance of defense cooperation with other countries “to improve capabilities to protect the country and address common security challenges.” However, Vietnam insists that any cooperation with the United States to develop its defense capabilities should respect its “four no’s” policy: “no joining of military alliances, no alignment with one country to fight other countries, no foreign military bases, and no use of force or threat to use force in international relations.”^{vi}

Participants highlighted the significance of Hanoi’s current re-evaluation of Politburo Resolution No. 8 (2003), which classified countries as either partners for cooperation (*đối tác*) or objects/subjects of struggle (*đối tượng*). There are discussions about changing these terms to partners and adversaries. These terms guide the extent to which Vietnam is willing to engage in defense cooperation with foreign partners, including the United States. Because U.S. and Vietnamese security interests mostly align, it is unlikely that Vietnam sees the United States as an adversary. Functional security cooperation will continue to advance.

“...avoiding U.S. or other Western sanctions for purchasing arms and military technology from Russia is imperative for sustaining friendly defense relations with Vietnam.”

between 1995 and 2021, Vietnam acquired weapons and military technology from 27 countries. Since the United States lifted its embargo on the sale of lethal weapons to Vietnam in 2016, Hanoi has procured two Hamilton-class cutters (with a third to be delivered) and six ScanEagle Unmanned Aerial Vehicles (UAVs) from the United States. Vietnam also ordered three POC-9 (T-6) trainer aircraft in 2021. Still, since 2014, over 80% of Vietnam’s acquisitions in U.S. dollar terms were from Russia. The other top providers included Belarus, Ukraine, Israel, India, the United States, and South Korea, in that order.

Despite considerable progress, experts noted that Hanoi still lacks intelligence, surveillance, and

On military exercises, Vietnam makes a distinction between military exercises aimed at teaching or improving basic skills (*diễn tập*) and those aimed at developing war-fighting skills (*tập trận*). Vietnam will not participate in the latter with the United States. Hanoi also insists on a continuing U.S. commitment to addressing war legacy issues (e.g., Agent Orange) as the basis for future defense cooperation.

On procurement, Vietnamese and U.S. participants raised concerns about how political considerations (human rights, religious freedom, and democracy promotion) could disrupt defense cooperation. Many in Vietnam’s defense and foreign policy establishments increasingly see the

United States as a valuable security partner. Vietnam particularly welcomes continued U.S. support for maritime capacity-building, especially for its Coast Guard. Some participants want to see a follow-up to the 2015 U.S.-Vietnam Joint Vision Statement on Defense Cooperation, for instance, by initiating defense industry cooperation between American and Vietnamese entities involving technology transfer and even co-production.

Finally, similar to the concerns expressed last year, avoiding U.S. or other Western sanctions for purchasing arms and military technology from Russia is imperative for sustaining friendly defense relations with Vietnam. Some participants are concerned about the increasing pressure against more procurements from Moscow given the Ukraine invasion. Both U.S. and Vietnamese experts doubt that any other country would be able to replace Russia as a major arms supplier to Vietnam.

The future of nuclear energy in Vietnam

Vietnam's potential pursuit of nuclear energy could have regional security implications. While Hanoi and Washington have an existing agreement concerning peaceful uses of nuclear energy (otherwise known as the 123 agreement), Vietnamese thinking on nuclear energy remains unclear. To understand the future of nuclear energy in Vietnam and its implications for security cooperation with the United States, the dialogue included a panel session on the topic. Both U.S. and Vietnamese experts agreed that Vietnam is unlikely to achieve civilian nuclear power in the near future. During the dialogue, experts reviewed the trajectory of Vietnam's nuclear plans and their security implications, tracing the interest back to the 1980s when Hanoi first undertook preliminary studies of nuclear power and concluded that nuclear energy could meet the country's growing need for electricity. For decades, nothing materialized. In 2010, Vietnam announced plans to build as many as 14 reactors by 2030, fulfilling 10% of the nation's electricity requirements. The first plant was supposed to be commissioned by 2017, but in 2016, Hanoi canceled plans for a series of nuclear power plants based on Russian designs and engineering, citing cheaper alternatives for generating electricity.

Last year's dialogue participants explored Hanoi's renewed consideration of nuclear energy, which led to discussions about how the United States could assist. This year, Vietnamese interlocutors underscored that interest in Vietnam and the wider region is still insufficient to push policymakers to consider serious investments. This is despite high expectations surrounding the advent of small modular reactors (SMRs), including that they require smaller parcels of land or could even be deployed at sea. Vietnam and Southeast Asia broadly have considerable alternatives to nuclear power, such as natural gas, coal, geothermal, wind, solar, and other sources that carry fewer political and security risks. One example experts cited is that a single, modern-day offshore wind turbine can generate more than 8MW of energy, meaning 37 wind turbines could potentially equal one SMR.

Participants noted that Vietnam's experience with nuclear power is not unique. In the wider region, plans for nuclear power have not progressed significantly. Malaysia has plans for a nuclear power plant, but there is no definite timeline (especially given that the country has plenty of oil and gas). Indonesia possesses uranium mines and some small research reactors, but has no specific plans for

building and operating civil nuclear electricity-generating plants. Singapore has studied nuclear energy, but its small size (and therefore vulnerability to nuclear accidents) would probably preclude any development.

Nevertheless, Vietnamese experts pointed out that nuclear energy remains an option for the long-term future, noting that, should the political leadership in Vietnam finally decide to pursue that option, Hanoi will likely revert to the previous Vietnam Nuclear Power Program (VNPP). Vietnamese experts stressed that SMRs and floating nuclear power plants are important topics for research, but Vietnam will not implement them in the next five to ten years.

U.S.-Indonesia security relations: gains capped by politics

Following last year's dialogue, which focused on the advantages of Indonesia strengthening its strategic autonomy, participants focused on the functional cooperation options that could advance their interests without triggering Jakarta's political sensibilities related to "great power competition." Participants portrayed Indonesia's traditional policy of nonalignment as consistent with increased U.S.-Indonesian security cooperation in the current international environment. Specifically, for some U.S. participants, to the degree that nonalignment retained its emphasis on independence and autonomy "against hegemonism makes improved U.S.-Indonesian cooperation on key shared security issues not merely possible but also actually necessary." The Indonesian view was that Jakarta wanted to preserve its economic and strategic autonomy as a sovereign state amidst challenges. For the United States, however, China's efforts to enmesh Indonesia (and its neighbors) in exploitative webs of dependency and coercion represent a significant threat to the region, and Jakarta and Washington should cooperate to resist those efforts. The Indonesians were reluctant to embrace this perspective.

On maritime security, the United States and Indonesia converge on their assessment of Chinese maritime activities and claims (e.g., both sides see the nine-dash line as illegal), but diverge on navigational rights and freedoms. The former could lead to increased functional cooperation; the latter could complicate U.S. naval operations in the region.

Both sides see value in ASEAN, but some Indonesians see other U.S.-led mechanisms as potentially undermining ASEAN centrality, while U.S. experts at the dialogue highlighted how extra-ASEAN mechanisms like the Quadrilateral Security Dialogue (QUAD) complement ASEAN.

While U.S. participants saw opportunities for greater Indonesian participation in U.S.-led nonproliferation regimes, the dialogue revealed that Indonesia is simply not keen on joining arrangements it perceived as not led by ASEAN or the UN, consistent with its nonaligned multilateralist approach.

Throughout the dialogue, it was apparent that Indonesia's reluctance to align its efforts with the United States is not because it views U.S. Indo-Pacific strategy as inherently flawed or that Chinese assertive behavior is not threatening. Rather, political considerations in Jakarta still revolve around the perceived need to demonstrate strategic autonomy – pursuing initiatives on its own terms, avoiding mechanisms not led by ASEAN or the United Nations, and

avoiding any impression that its policies are determined by any great power.

Understanding U.S. and Indonesian strategic priorities

There persists a mix of convergence and divergence in how Indonesia and the United States perceive the security environment in the region. Both countries recognize that China's actions—whether dangerous maneuvers in the South China Sea or operational responses to Speaker Nancy Pelosi's visit to Taiwan—continue to heighten tensions, even if Jakarta is less public about this than Washington is. However, the two countries diverge on how to respond to Beijing's assertive behavior because of other considerations, such as COVID-19 and the resulting public health crisis and economic security issues related to China. Indonesian interlocutors perceive Indonesian policymakers as being preoccupied with more pressing domestic challenges. They claim that issues like food shortage and energy supply are prioritized in domestic political discourses, which inhibit a more internationalist, geopolitical agenda that might align Indonesian interests more with the United States.

Participants from both the United States and Indonesia acknowledged that a stronger Indonesian military and a more credible and consistent U.S. presence could boost regional security and stability if expectations are managed. Operationally, this "consensus" could mean more complementary capacity-building initiatives and the prioritization of Jakarta within the U.S. hierarchy of relationships in the Indo-Pacific. Participants argued that U.S. capacity-building should be responsive to Indonesian needs and not merely driven by desire to counter Chinese assertiveness. For Indonesia, this could lead to less antagonistic public perceptions of U.S. presence and operations vis-à-vis China. Currently, there is a tendency for the Indonesian government to characterize U.S. and Chinese presence and operations in the region as being equally problematic for regional security.

There was also general agreement about broadening the U.S. approach to security relations with Indonesia to include the full range of security issues where Indonesia could play a role amid challenges such as terrorism, post-U.S. Afghanistan withdrawal, and nuclear threats from Iran and North Korea. This would allow the relationship to grow and mature beyond concerns related to China.

Challenges to maritime security and regional stability

There are areas of agreement and disagreement between the United States and Indonesia on matters of maritime security operations in the region. U.S. participants were encouraged to see Indonesia take a more proactive stance regarding Chinese infringements in the North Natuna Sea area. For example, the Indonesian Maritime Security Agency (known as BAKAMLA) recently hosted a meeting of Coast Guard leaders to discuss gray zone activities in the South China Sea. Participants cited the construction of a training facility in Bintan and the

provision of ScanEagle drones as examples of complementary capacity-building resulting from a broadening security outlook. High-value military equipment transfer projects can become reality if this trend continues. Overall, the military-to-military relationship

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seems to be advancing beyond the legacy of U.S. sanctions.

Freedom of navigation could become a long-term operational issue for the U.S. military. The United States wants Indonesia to allow all navigational rights and freedoms within its archipelago as described in the UN Convention on the Law of the Sea (UNCLOS). Indonesia, however, remains reluctant to introduce more archipelagic sea-lanes (ASL). In the past, the United States and Indonesia have handled these differences at the technical level—typically at the navy-to-navy level but occasionally through diplomatic channels. However, three developments related to freedom of navigation could become problematic: 1) growing Indonesian maritime domain awareness; 2) increasing U.S. deployment of unmanned vehicles; and 3) expanding Indonesian anti-access/area denial (A2/AD) military capabilities.

With growing capability to monitor activities in its waters, maritime operations perceived as violating Indonesia's legal standards or national sensibilities are more likely to be noticed by political leaders and the public and politicized, including U.S. Navy use of ASL passage in areas where Jakarta has yet to designate an ASL. U.S. deployment of more unmanned and autonomous vehicles (UAVs) could increase bilateral tension as Washington asserts UAVs have the same privileges as manned warships. Participants expect Indonesia to take a more restrictive stance against all UAVs traversing its territorial and archipelagic waters. Finally, Indonesia has not targeted its growing A2/AD capabilities at any specific militaries. If there was an armed conflict in the South or East China Seas, Indonesia would want de-escalation and would delay picking sides for as long as possible. More importantly, Jakarta's A2/AD capabilities allow it to complicate both sides' assumptions about force flows, supply chains, and ally reinforcements. There was some discussion during the dialogue and in other forums about Indonesia potentially closing off its waters from all military forces, including those of the United States and its treaty allies, in the event of a crisis, such as a potential conflict in Taiwan.

Strengthening ASEAN's regional security mechanisms

Building on the first dialogue's discussion of the importance of ASEAN in Indonesian security engagements, this year's dialogue focused on Washington's inconsistent attitude toward ASEAN and the impact of other multilateral and minilateral arrangements in the region on ASEAN centrality.

“There was some discussion during the dialogue... about Indonesia potentially closing off its waters from all military forces, including those of the United States and its treaty allies, in the event of a crisis, such as a potential conflict in Taiwan.”

First, participants discussed the nature of U.S. foreign policymaking to contextualize how it has been approaching multilateralism. U.S. participants pointed out that U.S. foreign policy is global (rather than strictly regional). While Washington values ASEAN centrality, other arrangements complementary to ASEAN institutions could better address some challenges. Some U.S. participants sought to address significant concerns expressed by Indonesian interlocutors that ASEAN interests would be subordinated to the QUAD, Australia-United Kingdom-United States Partnership (AUKUS), or other “great power” interests. For instance, the QUAD was presented as a loose arrangement, and a place for bi- and tri-lateral cooperation among its four members (India and Japan being the most important) based on interest and capability. U.S. participants cited the India-Japan East-West Road Initiative to demonstrate how cooperation between and among QUAD members benefits ASEAN. U.S.-led minilateral and multilateral partnerships were also cited as complementary to ASEAN. For instance, the Mekong-U.S. Partnership, while not affecting Indonesia directly, showed how non-ASEAN minilateral information-sharing mechanisms help ASEAN countries resist “might-makes-right” behavior from their large northern neighbor.

In this context, U.S. participants recognized that the days of the United States operating under a “hub and spoke,” alliance-centered framework are over. The United States now prioritizes partnerships and cooperative arrangements in which those with the greatest interest take the lead and others with shared interests participate.

U.S. participants expressed disappointment that littoral ASEAN states, including Indonesia, have not expressed even rhetorical support for the 2016 Arbitral Award, the unanimous ruling by an Arbitration Tribunal constituted in The Hague that declared China's nine-dash line as without basis under international law. Views of ASEAN states, including Indonesia, regarding the 2016 Award could have an operational impact on how China and the United States act in the South China Sea. Some participants argued that a seemingly disinterested Indonesia/ASEAN could result in an even more assertive China, while simultaneously providing no “moral” support for the United States' work to ensure that the South China Sea remains free, open, and rules-based.

Counterproliferation and WMD-related challenges

Discussions on counterproliferation and WMD issues highlighted what U.S. participants saw as “low-hanging fruits” for potential cooperation to support both countries' common security interests. First, in the arena of

counterterrorism (CT) and counterproliferation (CP), U.S. participants argued that Indonesia could contribute to international security by choosing to join two organizations devoted to mutual CT and CP capacity-building: the Global Initiative to Combat Nuclear Terrorism (GICNT) and the Proliferation Security Initiative (PSI). Both institutions would enable Indonesia to increase its capacities while

remaining carefully protective of its own national sovereignty and independence. Neither the GICNT nor the PSI created new obligations. Instead, cooperation is voluntary, with individual members' national authorities coordinating to help ensure that bad actors, including extremists, do not obtain WMD-related materials. Indonesia could potentially participate in existing U.S. programs aimed at reducing the global prevalence of radiological sources that terrorists could steal and use in radiological dispersal devices (RDDs, a.k.a. “dirty bombs”).

However, Indonesian interlocutors explained that Indonesia's persistent refusal to join PSI and other U.S.-led initiatives is a political decision related to Indonesia's unwillingness to join a U.S.-led mechanism, rather than an objection to PSI's operating principles. In this context, Indonesia will remain outside of the agreement until Jakarta reassesses its views on the PSI.

A potential area for bilateral cooperation participants discussed relates to capacity-building to boost Jakarta's ability to impose “state-of-the-art” strategic trade controls. Improving such controls, some participants argued, is essential to Indonesia preserving its own interests related to the growth of its digital and industrial economy, defense technology transfer, and co-production opportunities with the United States and other Western powers. It would also enhance protection against security threats presented by Chinese regional military capabilities that “would be worsened by dual-use and military technology transfers and transshipments through shadowy international proliferation networks intended to evade various countries' national security export control restrictions.” Nevertheless, the Indonesians were not keen on targeting China. Jakarta is unwilling to take any action, even action that supports its own security goals, that would indicate it is siding with either Beijing or Washington.

Responses to contingencies: lessons from scenario-based exercises

Participants played a scenario-based exercise during each dialogue to provide a bird's eye view of potential responses to crises in the region; to acknowledge each party's positions, policy, and operational responses and differences; and to generate insights on how Vietnam, Indonesia, and the United States can better coordinate should a similar event happen. Different scenarios were played to take into account the national security priorities of Vietnam and Indonesia. The exercise with Vietnam focused on the threat of Chinese coercion and potential use of force in the South China Sea. The exercise with Indonesia underscored Chinese threats related to navigational rights

and freedoms, and the potential implications of constant demand by Beijing to have veto power over joint military exercises conducted by Southeast Asian littoral states inside the nine-dash line.

Invasion of Itu Aba: Understanding Vietnamese and U.S. responses

Scenario in brief: For several months, at least 500 maritime militia vessels had been crowding the territorial sea of Taiwan-occupied Itu Aba. Under cover of night, PLAN's amphibious forces, led by CCG vessels, made their move. They passed the militia vessels, which provided cover, and assaulted Itu Aba. Defended by only 300 Taiwanese Coast Guard officers with 40mm anti-aircraft artillery and 120mm mortars, Taiwan struggled to repel the invaders. Located some 1,000 miles from Taiwan, reinforcements from the Taiwanese Navy and Marines had yet to arrive. The battle expanded to the territorial sea of nearby Sandy Cay, under Vietnamese control, as PLAN and CCG vessels dispersed to maneuver against the Taiwanese Air Force's counterattack. In the confusion, a Vietnamese naval vessel, on routine patrol in the area, was attacked and sunk. China warned Taiwan not to escalate and the United States not to intervene. As the attack on Itu Aba occurred, there were reports that China had mobilized PLAN crews and vessels in ports across from Taiwan, signaling an intent to invade Taiwan if escalation occurred and the United States intervened. Washington is considering its options.

Responses: Vietnamese and U.S. participants were not very enthusiastic about each other's responses, underscoring the complexity of dealing with Chinese aggression in the South China Sea. On the one hand, Vietnam refused to call out China's use of force outright, disappointing U.S. participants. On the other hand, some participants were perplexed when the United States made clear that letting China become the new occupant of Itu Aba was the "least bad option" if the alternative was Beijing's invasion of Taiwan itself and, potentially, a direct war between China and the United States. The loss of Itu Aba made some Vietnamese experts further doubt the United States' commitment to the South China Sea, but they admitted that they also did not want to see a direct, violent confrontation between Beijing and Washington.

Vietnam was very reluctant to be a direct player in the ongoing hostilities. In response to the situation, Vietnam ordered its forces to be combat-ready; to increase surveillance and reconnaissance; to gain accurate situational awareness; to deploy search and rescue forces, and, when possible, investigate the sinking of its vessel; to deploy Vietnam's Coast Guard and Fishery Surveillance Force in the area; and to warn fishing boats to avoid the vicinity. While an armed attack on Itu Aba may represent a "black zone" for Taiwan, the scenario remained a gray zone for Vietnam. Hence, Hanoi prioritized diplomacy, while also observing what the United States would do. Vietnam was concerned about the United States potentially disengaging. While they preferred the United States not escalate, they also wanted the United States to be active in galvanizing regional support for peaceful resolution to the crisis. Some Vietnamese participants were particularly interested in how the United States would respond to the situation that clearly changes the status quo of a disputed territory through China's use of force. When it became clear that a potential wider conflict over Taiwan was deterring the United States from intervening, the Vietnamese were even more reluctant to call out Chinese efforts to change the

status quo by force. In the end, Vietnam was keenly aware that it could rely only on itself.

The U.S. response revealed that, despite rhetoric on the China challenge, it is still risk averse. The United States' immediate responses to the crisis included moving forces in the region, demonstrating concern and messaging that it "wants to help," assisting with ISR, broadcasting the situation to the world, spreading the message of PRC aggression, engaging treaty allies in deployment, and expressing some level of support for Taiwan to increase deterrence. In the end, Taiwan lost Itu Aba, and Vietnam prioritized de-escalation and diplomacy. During the exercise, U.S. participants did not militarily assist Taiwanese efforts to repel invading Chinese forces and simply allowed China to occupy Itu Aba. Some U.S. participants argued that most political leaders in Washington would not go to war against China over Itu Aba if it meant avoiding Chinese invasion of Taiwan.

Standoff in North Natuna Sea: Understanding Indonesian and U.S. responses

Scenario in brief: The KN Tanjung Datu, a vessel of the Indonesian Maritime Security Agency (BAKAMLA), was navigating the North Natuna Sea in a recognized Indonesian exclusive economic zone (EEZ) toward Tuna Block, an offshore oil and gas field in which Indonesia had been drilling. Three CCG vessels and five maritime militia vessels posing as civilian fishing trawlers surrounded the Tanjung Datu. The Tanjung Datu is an unarmed, civilian-operated law enforcement vessel periodically assigned to patrol the Indonesian EEZ, inside the nine-dash line. Chinese operators ordered the Datu to change course, avoid the Tuna Block, and navigate southward or "suffer the consequences." Datu refused to change course. The five Chinese-flagged fishing trawlers sailed toward the Datu as CCG vessels monitored the situation. The CCG vessels sailed closer and positioned themselves in front of the Datu to block its path and force it to divert. USS Charleston (LCS-18) was already nearby, scheduled to participate in the Garuda Shield Joint Military Exercise with the Indonesian Navy scheduled in three days. It quickly maneuvered toward the area. A China-Indonesia standoff ensued with PLAN and U.S. Navy (USN) vessels on the horizon. The White House issued a statement criticizing China's "aggressive and unprofessional" behavior and accusing Beijing of flouting its obligations under UNCLOS. Beijing responded by issuing its own criticisms of U.S. behavior and policy, saying that it was the United States that had violated international and domestic Chinese law by "engaging in activities in China's waters in the South China Sea without China's permission," referring to the annual U.S.-Indonesia naval exercises.

Responses: The Indonesians were particularly resolute in safeguarding their interests while maintaining strategic autonomy. During the exercise, Jakarta's immediate responses included: establishing a crisis task force to get accurate information about the situation (fact-finding) and to ensure a single communication channel; establishing communications with China through diplomatic and defense channels; pursuing military posturing by continuing the Garuda Shield exercise preparation in coordination with the United States as planned, and considering additional exercises and limited asset (re-)deployment to adjacent areas to show strength and determination while avoiding incidents; increasing frequency of Indonesia's maritime law enforcement

patrols; and providing logistical support and protection for the crew and drilling site to prevent a Chinese fait accompli. Indonesia's determination to protect its interests, in particular, by choosing to continue the Garuda Shield exercise preparations as scheduled, despite pressure from China, pleasantly surprised U.S. participants. Nevertheless, the Indonesians also wanted the United States to carefully manage their engagement and avoid direct involvement in the standoff. Indonesia prioritized coordinating with the ASEAN Troika (ASEAN's current, former, and future chairs) to increase diplomatic pressure, and with the United States to ensure that Garuda Shield exercise did not affect the standoff.

U.S. responses were mostly in line with the Indonesian actions. In particular, the United States: wanted to ensure the Garuda Shield and other regional exercises took place

as scheduled; moved to immediately gather, share, and publicize information from intelligence and other sources about the specifics of the incident, and prioritize Indonesia and ASEAN states in information sharing; maintained the USS Charleston on location in the vicinity; issued a statement emphasizing the U.S. stance on Chinese maritime militias and Chinese patterns of behavior; and offered Indonesia additional support (i.e., capacity-building and expanded information sharing).

Unlike the scenario-based exercise with Vietnam, this exercise remained fully in the gray zone for all parties. Since there was no China team and no second move, the exercise ended with Indonesia fully asserting its rights, and the United States playing a flexible, supportive role welcomed by Jakarta.

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