



**Statement before the  
U.S. - China Economic and Security Review Commission**

***“China’s Military Power Projection and  
U.S. National Interests”***

A Testimony by:

**Gregory B. Poling**

Director, Asia Maritime Transparency Initiative, and Fellow, Southeast  
Asia Program, CSIS

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**2118 Rayburn House Office Building**

China's military is rapidly developing a truly global blue-water navy along with expeditionary air capabilities. For the time being, these efforts are focused on breaking out of the "first-island chain," which in the People's Liberation Army-Navy's (PLAN) strategic thinking separates its near waters of the South and East Seas from the wider Pacific and Indian Oceans. The PLAN and to a lesser degree the People's Liberation Army-Air Force (PLAAF) are operating with greater regularity in the Indian and Pacific Oceans but lack the logistics networks to support frequent or large-scale expeditionary deployments. Addressing that gap is a clear goal of the PLA, though its successes have so far been mixed. Beyond the Pacific and Indian Oceans, China's military reach remains largely symbolic, restricted to ship visits, modest intelligence collection, and rare joint exercises.

In thinking about Beijing's efforts to develop military facilities and logistics hubs to support expeditionary capabilities farther afield, it is helpful to place such efforts in a series of categories, from most to least impactful. This is necessarily a loose and imperfect categorization but has considerable explanatory power when it comes to China's presence in Southeast and South Asia (as well as the Pacific Islands).

The first category, and the most significant at present, is China's own major air and naval bases constructed at the heart of Southeast Asia—the South China Sea. The second is Chinese military facilities or significant access arrangements in partner-nations, which at present applies only to Djibouti and Cambodia. Third is Chinese civilian port or air infrastructure projects which could provide important logistics support to PLA deployments in the future. All three of these types of facilities could play significant roles in China's development of expeditionary capabilities across the Indo-Pacific, but each must be viewed in very different lights. In addition to military concerns, the latter two categories are tightly wrapped up in Chinese political and economic influence in host countries.

### **China's South China Sea Bases**

China's build-up of military capabilities from its artificial islands in the South China Sea has radically altered its power projection capabilities across Southeast Asia. A decade ago Beijing was effectively blind to anything that happened more than a few miles south of the Paracel Islands and its presence in the southern half of the South China Sea was largely restricted to patriotic cruises and intelligence collection. Today the PLAN, China Coast Guard (CCG), and maritime militia operate through every inch of the South China Sea on a persistent basis. China is able to effectively monitor anything that moves on or above (and likely a great deal that moves beneath) the South China Sea. It also has considerable ability to defend these facilities, making their neutralization by even the United States a costly undertaking.

China's militarization campaign in the Spratly Islands began in late 2013 and proceeded in four phases. First, Chinese dredgers and earth moving equipment created the islands themselves. China piled 3,200 acres of new land on top of its seven reefs in the Spratlys and several hundred more acres to expand its outposts in the Paracels. The three largest of its Spratly outposts—Fiery Cross, Subi, and Mischief Reefs—also had their lagoons dredged and turned into major ports. Those three saw the construction of 3,000-meter airstrips and basic infrastructure, including

housing, fuel and water storage, point defenses, air traffic control, and more.<sup>1</sup> This phase was largely completed by 2016 and the last documented dredging or landfill work took place in the Parcel Islands in mid-2017.<sup>2</sup>

The second phase of China's militarization campaign involved the construction of military infrastructure on the islands, particularly at Fiery Cross, Subi, and Mischief Reefs. Much of this build-up was undertaken in clear imitation of facilities already built at Woody Island, the largest of China's outposts in the Paracels, which sports its own air base, two ports, and considerable military and civilian infrastructure. By the end of 2017, China had largely completed the build-out of infrastructure at the three major Spratly Islands. This included a combined 72 hangars for combat aircraft and another dozen hardened hangars for larger planes like maritime patrol and heavy transport aircraft (and possibly bombers). China also built helipads, harbor facilities, buried fuel and ammunition storage, radar and sensor arrays, and hardened missile shelters during this time.<sup>3</sup> There has been no other major construction in the South China Sea in the years since, with the exception of Beijing's development and deployment of new unmanned "Ocean E-Stations" which serve to extend its maritime domain awareness and communications capabilities without requiring the escalation and expense of building new manned outposts. One of these platforms, developed by China Electronics Technology Group Corporation—was installed on Bombay Reef in the Paracels in mid-2018.<sup>4</sup> Several others have been deployed off Hainan, and it seems likely that they will eventually find their way to the Spratlys and perhaps beyond.

The next stage in China's militarization of the South China Sea kicked into high gear from 2017 through 2018 with the deployment of high-end military platforms to Fiery Cross, Mischief, and Subi Reefs. This included the first landings of military patrol and transport aircraft at Subi and Mischief Reefs, the deployment of jamming platforms to Mischief and Fiery Cross, and surface-to-air and anti-ship cruise missiles sent to all three. At the same time, Woody Island in the Paracels saw more frequent deployments of J-11 fighter jets, the first landing of an H-6K bomber, and an increase in the numbers of anti-air and anti-ship missiles deployed to the island. The completion of port and other supporting infrastructure in the Spratlys also coincided with a sharp increase in the presence of the PLAN and CCG throughout the South China Sea. Nearly every modern class of vessel in the navy and coast guard began calling regularly at the ports in

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<sup>1</sup> See "Occupation and Island Building," Asia Maritime Transparency Initiative (AMTI), accessed February 12, 2020, <https://amti.csis.org/island-tracker/>.

<sup>2</sup> "China's Continuing Reclamation in the Paracels," AMTI, updated August 9, 2017, <https://amti.csis.org/paracels-beijings-other-buildup/>.

<sup>3</sup> "A Constructive Year for Chinese Base Building," AMTI, December 14, 2017, <https://amti.csis.org/constructive-year-chinese-building/>.

<sup>4</sup> "China Quietly Upgrades and Remote Reef," AMTI, November 20, 2018, <https://amti.csis.org/china-quietly-upgrades-bombay-reef/>.

the Spratlys.<sup>5</sup> Meanwhile the number of militia ships loitering at Mischief and Subi Reefs increased from no more than 100 at any given time in 2017 to about 300 in August 2018.<sup>6</sup>

The infrastructure buildup and deployments to the Spratlys has radically altered China's power projection capabilities in the southern reaches of the South China Sea, leading to a new phase of persistent coercion below the level of military conflict. The CCG and militia now spend weeks or even months deployed in waters off the Philippines, Malaysia, Brunei, Indonesia, and Vietnam, sometimes asserting China's own conception of "historic rights" to oil and fish, at other times interfering with those states' own economic activities. These deployments are made possible by the ability of Chinese vessels to rest and resupply at the newly-built outposts in the Spratlys rather than needing to travel all the way back to Hainan or Guangzhou on the Chinese coast.

The most consistent deployments of Chinese power are now at a handful of largely submerged but highly symbolic (at least to Beijing) reefs around the South China Sea. Between September 2018 and September 2019, at least one CCG ship was patrolling Luconia Shoals off the Malaysian coast for 258 out of 365 days. At Second Thomas Shoal, where the Philippines maintains a small military garrison aboard the intentionally-grounded *Sierra Madre*, CCG ships were on-station 215 out of 365 days.<sup>7</sup> In May 2018 and again in May 2019, CCG vessels harassed civilian boats from the Philippines seeking to resupply the *Sierra Madre*.<sup>8</sup>

But the most provocative Chinese power projection is now aimed at preventing any new oil and gas exploration without its consent anywhere in the South China Sea. This includes even new drilling or exploration in blocks that have been producing oil and natural gas for many years. In May 2019, a CCG ship spent two weeks harassing a rig contracted by a Royal Dutch Shell subsidiary off the coast of Malaysia. That same ship then headed to an area off the coast of Vietnam where Russia's Rosneft was engaged in drilling new production wells in a block the company had been exploiting for years. The harassment of the rig kicked off a four-month standoff from late June through October in which China sent its own survey vessel to operate in Vietnamese waters. Both sides eventually deployed dozens of law enforcement and militia boats

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<sup>5</sup> See Frances G. Mangosing, "China Military Planes Land on PH Reef," *Philippine Daily Inquirer*, April 18, 2018, <https://globalnation.inquirer.net/165824/china-military-planes-land-ph-reef>; Michael R. Gordon and Jeremy Page, "China Installed Military Jamming Equipment on Spratly Islands, U.S. Says," *Wall Street Journal*, April 9, 2018, <https://www.wsj.com/articles/china-installed-military-jamming-equipment-on-spratly-islands-u-s-says-1523266320>; Amanda Macias, "China Quietly Installed Missile Systems on Strategic Spratly Islands in Hotly Contested South China Sea," CNBC, May 2, 2018, <https://www.cnbc.com/2018/05/02/china-added-missile-systems-on-spratly-islands-in-south-china-sea.html>; "An Accounting of China's Deployments to the Spratly Islands," AMTI, May 9, 2018, <https://amti.csis.org/accounting-chinas-deployments-spratly-islands/>; People's Daily, China (@PDChina) Twitter account, May 18, 2018, cited in "China Lands First Bomber on South China Sea Island," AMTI, May 18, 2018, <https://amti.csis.org/china-lands-first-bomber-south-china-sea-island/>; "Exercises Bring New Weapons to the Paracels," AMTI, May 24, 2018, <https://amti.csis.org/exercises-bring-new-weapons-paracels/>.

<sup>6</sup> Gregory B. Poling, "Illuminating the South China Sea's Dark Fishing Fleets," CSIS Stephenson Ocean Security Project, January 9, 2019, <https://ocean.csis.org/spotlights/illuminating-the-south-china-seas-dark-fishing-fleets/>.

<sup>7</sup> "Signaling Sovereignty: Chinese Patrols at Contested Reefs," AMTI, September 26, 2019, <https://amti.csis.org/signaling-sovereignty-chinese-patrols-at-contested-reefs/>.

<sup>8</sup> Paterno Esmaguil II, "China Chopper Harasses PH Rubber Boat in Ayungin Shoal – Lawmaker," *Rappler*, Updated May 31, 2018, <https://www.rappler.com/nation/203720-chinese-helicopter-harass-rubber-boat-ayungin-shoal-spratly-islands>; Patricia Lourdes Viray, "China Coast Guard Blocked Resupply Mission to Ayungin Shoal – DND," *Philippine Star*, September 19, 2019, <https://www.philstar.com/headlines/2019/09/19/1953204/china-coast-guard-blocked-resupply-mission-ayungin-shoal-dnd>.

on both sides.<sup>9</sup> This harassment of oil and gas operations seems to be aimed at creating unacceptable risk to the civilian vessels that are necessary for any successful exploration and drilling by Southeast Asian claimants. CCG vessels navigate dangerously close to offshore supply ships and play chicken with regional law enforcement, creating risks of collision that make it prohibitively difficult for commercial operators to continue their work. As a result, Beijing seems to believe, states will eventually find no commercial partners willing to engage in operations in the South China Sea, leaving them no choice but to turn to China.

Another important component of Chinese power projection worth discussing here is the militia, which has seen its role grow over the last few years now that many of its boats appear to spend long stretches at Mischief and Subi Reefs waiting to be called up to action. The most worrying of those deployments, which remains ongoing, came in response to Manila's decision in December 2018 to finally start long-delayed repair and upgrade work at Thitu Island, the largest of the Spratlys occupied by the Philippines. Almost immediately, about 100 Chinese militia boats poured out of nearby Subi Reef, backed by CCG and PLAN vessels, and dropped anchor between 2 and 5 nautical miles of Thitu.<sup>10</sup> The Armed Forces of the Philippines confirmed that it monitored 275 Chinese vessels around the island between January and March 2019.<sup>11</sup> The ships pulled back briefly in June but returned within a month and are surrounding the island to this day.<sup>12</sup> As a result, the Philippines has been unable to make any real headway on the repair effort due to difficulties bringing in necessary supplies.

### Foreign Military Basing

China's bases in the Spratlys allow it to project naval, law enforcement, and paramilitary force throughout maritime Southeast Asia. They also place most littoral states' capitals within unrefueled range of Chinese air power.<sup>13</sup> And given the considerable distances from the nearest U.S. ground-based air assets in the region (on Okinawa and Guam), they likely guarantee China air dominance over the South China Sea for at least the opening stages of any potential conflict.<sup>14</sup> They thereby further China's goal of eventually dominating the waters within the first island chain and provide a stepping stone to project power beyond it. But for real expeditionary operations beyond its near waters, China must develop basing and logistics hubs farther afield.

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<sup>9</sup> "China Risks Flare-Up Over Malaysian, Vietnamese Gas Resources," AMTI, July 16, 2019, <https://amti.csis.org/china-risks-flare-up-over-malaysian-vietnamese-gas-resources/>; East Pendulum (@HenriKenhmann) Twitter account, June 30, 2019, <https://twitter.com/HenriKenhmann/status/1145338072818544641>.

<sup>10</sup> "Under Pressure: Philippine Construction Provokes a Paramilitary Response," AMTI, February 6, 2019, <https://amti.csis.org/under-pressure-philippine-construction-paramilitary-response/>.

<sup>11</sup> Jim Gomez, "Manila Protests 'Swarming' Chinese Boats Near Island," Associated Press, April 1, 2019, <https://www.navytimes.com/news/your-navy/2019/04/01/manila-protests-swarming-chinese-boats-near-island/>.

<sup>12</sup> Frances Mangosing, "Chinese Militia Vessels Start Pull Out Near Pag-asa Island – Mon Tulfo," *Philippine Daily Inquirer*, June 6, 2019, <https://globalnation.inquirer.net/176005/chinese-militia-vessels-start-pull-out-near-pag-asa-island-mon-tulfo>.

<sup>13</sup> See "Chinese Power Projection Capabilities in the South China Sea," AMTI, accessed February 12, 2020, <https://amti.csis.org/chinese-power-projection/>.

<sup>14</sup> See Gregory B. Poling, "The Conventional Wisdom on China's Island Bases Is Dangerously Wrong," *War on the Rocks*, January 10, 2020, <https://warontherocks.com/2020/01/the-conventional-wisdom-on-chinas-island-bases-is-dangerously-wrong/>.

So far it seems that Beijing has only found two states willing to provide it basing rights or considerable military access: Djibouti and Cambodia.

China officially opened its first overseas military base, in Djibouti, in August 2017. The naval base sits next to the Doraleh Port, the largest in Africa, which has been financed and built by China and largely services Chinese ships. It is also very close to Camp Lemonnier, where the United States has 4,000 troops stationed, and the Chabelly airfield from which it launches drone operations.<sup>15</sup> Japan and France also maintain small bases nearby. The reason for this clustering is two-fold: the country is strategically located for operations over the Gulf of Aden and the Red Sea, and Djibouti's government has been uniquely open to foreign basing as a means of monetizing that geostrategic location. In many ways, China's choice of Djibouti for its first overseas base was the natural result of its decade-long counterpiracy mission in the Gulf of Aden and its economic interests in trade around the Horn of Africa and the northwest Indian Ocean more broadly. The proximity of the base to Camp Lemonnier has led to some heartburn in Washington about China's long-term intentions, especially following a series of incidents in which Chinese forces allegedly used high-powered lasers fired from the base to blind U.S. airmen.<sup>16</sup>

Djibouti remains China's only confirmed overseas military base. But it is increasingly apparent that China has also gained a significant degree of military access in Cambodia, despite denials from the government in Phnom Penh. In July 2019, U.S. officials told the *Wall Street Journal* that Cambodia and China had inked a secret deal granting the PLA exclusive access to part of Cambodia's Ream naval base on the Gulf of Thailand. This followed about a year of rumors, which had sparked Vice president Mike Pence to write a letter to Cambodian Prime Minister Hun Sen in November 2018 expressing U.S. concerns. Hun Sen dismissed the accusations as "fake news."<sup>17</sup> But the evidence has only piled up. In early February 2020, the Australian Broadcasting Corporation obtained a document showing that in December 2019 a military surveying delegation from China visited Ream and several other facilities including a "satellite navigation and positioning reference station" in Siem Reap Province.<sup>18</sup> The latter should be particularly attractive to China due to Cambodia's position close to the equator. A satellite tracking station there would be very useful as Beijing rapidly builds out its Beidou navigation system and a large constellation of optical imaging, radar, and other maritime domain awareness satellites.<sup>19</sup>

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<sup>15</sup> Max Bearak, "In Strategic Djibouti, a Microcosm of China's Growing Foothold in Africa," *Washington Post*, December 30, 2019, [https://www.washingtonpost.com/world/africa/in-strategic-djibouti-a-microcosm-of-chinas-growing-foothold-in-africa/2019/12/29/a6e664ea-beab-11e9-a8b0-7ed8a0d5dc5d\\_story.html](https://www.washingtonpost.com/world/africa/in-strategic-djibouti-a-microcosm-of-chinas-growing-foothold-in-africa/2019/12/29/a6e664ea-beab-11e9-a8b0-7ed8a0d5dc5d_story.html).

<sup>16</sup> Paul Sonne, "U.S. Accuses China of Directing Blinding Lasers at American Military Aircraft in Djibouti," *Washington Post*, May 4, 2018, <https://www.washingtonpost.com/news/checkpoint/wp/2018/05/03/u-s-accuses-china-of-directing-blinding-lasers-at-american-military-aircraft-in-djibouti/>.

<sup>17</sup> Hanna Ellis-Peterson, "China Reportedly Signs Secret Deal to Station Troops in Cambodia," *Guardian*, July 22, 2019, <https://www.theguardian.com/world/2019/jul/22/china-signs-secret-deal-to-station-troops-at-cambodia-naval-base>.

<sup>18</sup> Prashanth Parameswaran, "New Revelation of China-Cambodia Secret Visit Heightens Military Links Fears," *Diplomat*, February 6, 2020, <https://thediplomat.com/2020/02/new-revelation-of-china-cambodia-secret-visit-heightens-military-links-fears/>.

<sup>19</sup> Liu Zhen, "String of Chinese Satellites to Keep Real-Time Watch on South China Sea to 'Reinforce National Sovereignty,'" *South China Morning Post*, August 16, 2018, <https://www.scmp.com/news/china/diplomacy-defence/article/2159891/string-chinese-satellites-keep-real-time-watch-south>.

Even more worrying than China's shadowy access to Ream and potentially other Cambodian military facilities is what appears to be a military airbase it is constructing at nearby Dara Sakor. That project is officially an international airport servicing the Koh Kong resort that Chinese investors control along the nearby coastline. But the civilian rationale doesn't stand up to scrutiny. The airstrip is 3,400 meters long, which is bigger than the Phnom Penh International Airport's and defies explanation given that the resort has been unable to attract much business in the first place. It has also been argued that, based on satellite imagery, the aircraft turning bays being built at Dara Sakor are too small for commercial airliners and appear to be intended for fighter jets.<sup>20</sup> In the end, this should be more worrying for the United States and regional partners than the better-reported Ream naval base deal. PLAN access to Ream would not seriously improve Chinese naval power projection capabilities given how much it has already constructed in the Spratlys. But an air base in Cambodia would allow it to project power over southern Vietnam, Bangkok, the Gulf of Thailand, the Strait of Malacca, and the eastern Indian Ocean.

Djibouti and Cambodia both provide clear examples of the worrying links between Chinese economic influence and military access in developing states. By constructing and controlling Doraleh Port, China has placed Djibouti's government in a considerable position of economic dependency. This is especially true because most of the vessels that use the port are carrying goods to and from China, so it is not clear that diversion away from China would be feasible much less easy. And this is just the most visible of many Chinese investment projects in the country. Altogether, China holds over 70 percent of Djibouti's debt.<sup>21</sup> That is a very large bill that Beijing can threaten to call in, which gives it considerable leverage over the government of Djibouti.

Cambodia is an equally stark story of economic dependency. China is the number one investor in the country and pours money into the coffers of Prime Minister Hun Sen and his network of cronies. This provides the regime with a lifeline that has become ever more important in recent years as the United States and European countries have scaled back relations due to the country's democratic freefall. China's largesse is not without strings, as its diplomats have sometimes made painfully clear. In August 2016, just a month after the Philippines won a landmark case against China's claims in the South China Sea, China's ambassador to Cambodia took time out of a ribbon cutting ceremony for a Chinese-funded road project to thank Phnom Penh for its support for Beijing's position that the ruling was invalid. A short time before, China had extended \$600 million in aid and loans to Cambodia right after it sabotaged an ASEAN statement on the South China Sea.<sup>22</sup> Given the Hun Sen regime's now-overwhelming dependence on Chinese largesse, it is hardly surprising that Phnom Penh feels compelled to open its doors to a PLA presence.

### **Potential Dual-Use Facilities**

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<sup>20</sup> Jamie Seidel, "Scary Reality: China's Secret Cambodian Military Base," *News.com.au*, February 8, 2020, <https://www.news.com.au/technology/innovation/military/scary-reality-chinas-secret-cambodian-military-base/news-story/59908e35b8865375e6ca7a55c20fea0c>.

<sup>21</sup> Bearak, "In Strategic Djibouti."

<sup>22</sup> David Hutt, "How China Came to Dominate Cambodia," *Diplomat*, September 1, 2016, <https://thediplomat.com/2016/09/how-china-came-to-dominate-cambodia/>.

China's massive Belt and Road Initiative has led to billions of dollars in port and airport infrastructure across the Indo-Pacific. Many of these projects are of questionable commercial value. This has led to understandable speculation that many of them must, therefore, be meant for military rather than business purposes. It is impossible to entirely disprove this claim, but to-date the evidence is rather sparse. Far more likely is that many of these projects are the result of poor policy and even worse oversight. Beijing created a policy environment that encouraged irresponsible lending and white elephant projects under the patriotic banner of the Belt and Road Initiative. As a result, commercially nonviable projects like the Hambantota port and airport in Sri Lanka or the Luganville Wharf in Vanuatu cropped up, causing trouble for both the investing and host countries. In others, like the Kyaukpyu port in Myanmar, an otherwise viable project ballooned to absurd proportions.

In many of these cases, there is the possibility that commercial ports could have a secondary use for the PLAN in the future. This is especially true for projects that are unlikely to turn a commercial profit, in which case host countries might see little choice but to accept PLAN visits as the only paying customers. In others, overleveraged host governments might feel compelled to accept Chinese political demands, including future PLAN access, in much the same way Cambodia has. But all of that remains highly speculative. What is clear is that the PLAN is an increasingly global navy and it will inevitably develop a network of logistics hubs around the world, likely based on a combination of military and commercial ports, just as the United States, Russia, and every other blue-water navy has.

An examination of a few of the more often-discussed Chinese-funded ports in the region helps draw out some of these dynamics. The project most-often rumored to be a Chinese naval base in the making is the Gwadar port in Pakistan. This massive project is strategically located and makes a lot of sense as a future PLAN logistics hub. And given the increasingly close China-Pakistan relationship, it is entirely possible to see the country fall into a level of dependency that would make saying "no" to Beijing extremely difficult. These are good reasons to assume that the PLAN will have *some* access to berth and resupply in Gwadar. But whether the port will offer more than that and follow Djibouti as a Chinese base is far less clear. In fact, for the time being there appears to be no evidence in the open source to back up that conclusion.<sup>23</sup> But the project certainly bears watching.

Another oft-remarked project is the Hambantota port and airport on Sri Lanka's southern coast. From the start it seemed the project, which cost in the hundreds of millions of dollars, had little commercial rationale. It would have to compete with the country's main port of Colombo, which handled roughly 95 percent of its trade and was already well integrated into global trade routes. The international airport made even less sense and still sits empty. In December 2017, when it was clear the project would not be turning a profit soon and the government needed to get out from under its debt burden, it transferred a controlling stake in the port to a Chinese company on a 99-year lease. But there is no evidence that this was planned well in advance by the Chinese lenders or states. Rather the explanation seems to be that Chinese banks were all too happy to make bad loans for a project with little commercial rationale, while the government of then-

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<sup>23</sup> See Krzysztof Iwanek, "No, Pakistan's Gwadar Is Not a Chinese Naval Base (Just Yet)," *Diplomat*, November 19, 2019, <https://thediplomat.com/2019/11/no-pakistans-gwadar-port-is-not-a-chinese-naval-base-just-yet/>.



President Mahinda Rajapaksa was glad to take on unsustainable debt to buy support from his hometown constituents (including putting his name on the project).<sup>24</sup> Once Rajapaksa was ousted, and his government's overreliance on China became an issue in the election, a new government did what it felt necessary to get out from under a bad deal. The project speaks more to the early failings of the Belt and Road Initiative than it does to an intentional strategy by China to build logistics hubs abroad. That does not mean, of course, that Sri Lanka might not be open to eventual Chinese use of the port, especially with a Chinese company controlling it and little hope that it will become a major commercial success. The Rajapaksas are also back in power now, which creates a likelihood that the Sri Lanka-China relationship could enter a renaissance. But even then, there is a big difference between PLAN access for resupply and repairs at a Chinese-controlled port and a Chinese military base.

### **Policy Recommendations**

To counter Chinese aggression against partners and threats to freedom of the seas in the South China Sea, the United States should reinvigorate its diplomacy on this issue by placing it back on the top of the agenda at regional forums as it was in 2015-2016. Since then it has fallen far behind other issues like North Korea and trade spats, undermining U.S. efforts to rally international support on the issue and impose reputational costs on China for bad behavior. The United States should also consider an international campaign to identify illegal Chinese actors, particularly the maritime militia, modeled on its multilateral effort to detect and report on North Korean sanctions violations at sea in the Yellow Sea. This could in turn lead to a targeted campaign of economic sanctions against Chinese illegal actors. Meanwhile the United States must strengthen its deterrent posture in the South China Sea, especially with regards to dissuading Chinese aggression against the Philippines. The only way to do that effectively is with the rotational deployment of U.S. combat aircraft and ground-based fires in the Philippines through the Enhanced Defense Cooperation Agreement (EDCA) signed in 2014. That has become far more uncertain with President Rodrigo Duterte's recent decision to abrogate the U.S.-Philippines Visiting Forces Agreement (VFA), suggesting that the United States might have to prioritize saving what it can of its alliance for the next two years before attempting to revive the VFA and EDCA once Duterte leaves office in 2022.

More broadly, the United States must work with partners like Australia, Japan, and the European Union to offer more alternatives to Chinese loans and infrastructure investments. Efforts like the passage of the BUILD Act and announcement of the Blue Dot Network could be a start on this path, though their implementation remains to be seen. The United States does not, and cannot, compete dollar for dollar with China. But simply providing technical advice on contracts and standards, along with holding out the possibility of competing bids, has proven to help regional states like Myanmar negotiate better terms with the Chinese. This in turn reduces the leverage that Beijing has over them. Additionally, in the Indian Ocean in particular, the United States

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<sup>24</sup> See Jonathan Hillman, "Game of Loans: How China Bought Hambantota," in *China's Maritime Silk Road*, ed. Nicholas Szechenyi (Washington, DC: CSIS, 2018), [https://csis-prod.s3.amazonaws.com/s3fs-public/publication/180404\\_Szechenyi\\_ChinaMaritimeSilkRoad.pdf?yZSpudmFyARwcHuJnNx3metxXnEksVX3](https://csis-prod.s3.amazonaws.com/s3fs-public/publication/180404_Szechenyi_ChinaMaritimeSilkRoad.pdf?yZSpudmFyARwcHuJnNx3metxXnEksVX3).

needs to continue to tighten its maritime cooperation with India and encourage continued regional leadership by Delhi on maritime security and domain awareness.<sup>25</sup>

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<sup>25</sup> For a summary of India's efforts on this front, see "Ports and Partnerships: Delhi Invests in Indian Ocean Leadership," AMTI, December 5, 2019, <https://amti.csis.org/ports-and-partnerships-delhi-invests-in-indian-ocean-leadership/>.