CLOSING THE U.S. FACILITIES IN THE PHILIPPINES: AN OPPORTUNITY TO IMPROVE U.S. RELATIONS IN SOUTHEAST ASIA

An Individual Study Project
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by

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UNCLASSIFIED
Issues surrounding the renewal of the US-Philippine Military Bases Agreement, due to expire in September 1991, may result in the withdrawal of US forces from the Philippines within the next 10 years. If this happens, the ability of the United States to execute its military strategy in the Southeast Asian region will be questioned. Assuming continued US national interests and objectives in Southeast Asia, this paper develops new alternatives to the US facilities that
preserve or improve US forward defense and collective security.
To put the issue in perspective, the paper reviews how the U.S.
facilities in the Philippines contribute to the US military
strategy in the Western Pacific. In addition, potential national,
regional, and global impacts of a US withdrawal are examined.
Alternative locations for US forces in Southeast Asia, Northeast
Asia, and Micronesia are then assessed for operational
effectiveness, cost, and political feasibility. Finally,
recommendations for alternative sites to the US facilities are
framed in the context of current United States strategic military
concepts—forward defense, collective security, reinforcement,
sustainment, and security assistance.
ABSTRACT

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U.S. MILITARY FACILITIES IN THE PHILIPPINES

WALLACE AIR STATION
(Air Defense Radar, Air Traffic Control,
Drone Targets)

SAN MIGUEL
(Naval Communications Station)

SUISUC/CUSI POINT
(Major Naval Complex, Naval Air Station,
Ship Repair Facilities)

CAMP JOHN HAY
(Rest & Recreation)

CROW VALLEY TRAINING RANGE
(Camp O'Donnell ACMI Range Control)

CLARK AIR BASE
(Major Air Base, HQ 13 AF,
2 Fighter Squadrons)

PHILIPPINE SEA

SOUTH CHINA SEA

PALAWAN

MINDANAO

FIGURE 1. U.S. MILITARY FACILITIES IN THE PHILIPPINES
U.S. Facilities in the Philippines

Subic Bay Naval Base—deep natural harbor, protected anchorage

*Ship Repair Facility*
- Carrier mooring pier, wharves, and four floating drydocks
- Can handle 27 ships simultaneously; major repairs of vessels up to and including cruisers; minor repairs of carriers

*Naval Supply Depot*
- Central supply point for Pacific region; largest west of Hawaii; can supply needs of every ship and aircraft in the 7th Fleet
- Includes harbor for container shipping, open spaces, warehouses, refrigerated and hazardous storage facilities

Cubi Point Naval Air Station
- Primary base for 7th Fleet's carrier striking force
- P-3 maritime air patrol/ASW in Pacific and Indian Oceans
- Helicopters and fixed wing aircraft for medical evacuation, search and rescue and carrier
- Hub for all Pacific naval aviation major repair work

Clark Air Force Base—Headquarters of 13th Air Force

*Tactical fighter and training for Western Pacific and Indian Oceans*
- Tactical fighter wing of F-4 Phantoms
- "Cope Thunder" air combat training and use of Crow Valley gunnery and bombing range

*Airlift and rescue units*
- Staging point for strategic airlifts into the Indian Ocean
- Rescue and recovery helicopters

*Support facilities*
- All-weather runway; space for 800 aircraft; can manage 12,000 flights per month and 3,500 tons of cargo daily
- Regional medical center for U.S. forces in the Western Pacific and Indian Oceans

Impact of bases on Philippine economy
- Military assistance and economic support fund (in 1988, $962 million over two years)
- Revenues from direct transactions contribute about $1 billion to the Philippines $38 billion GNP and generate 300,000 jobs
- Directly employs 68,000 Filipinos (second only to Philippine government) government)
- Allows Philippines to concentrate military budget on internal defense

FIGURE 2. U.S. FACILITIES IN THE PHILIPPINES

FIGURE 3. SOUTHEAST ASIAN REGION
CLOSING THE U.S. FACILITIES IN THE PHILIPPINES:
AN OPPORTUNITY TO IMPROVE U.S. RELATIONS IN SOUTHEAST ASIA

INTRODUCTION

The term of the current Military Bases Agreement (MBA) between the U.S. Government and the Government of the Philippines (GOP) becomes indefinite after 16 September 1991. Thereafter, either party may terminate the agreement on one year's notice.¹ A multiplicity of issues presents the distinct possibility that negotiations between the U.S. and the Philippines may not produce a long-term renewal of the MBA.

The nearly unlimited access and unhampered military operations that the U.S. enjoys in the Philippines have been viewed as an invasion of sovereignty by Filipino nationalists and others. Since Fiscal Year (FY) 1980, the United States has made increasing "best effort" pledges of security assistance to the GOP in exchange for continued access to the U.S. facilities. However, the GOP's expectations of this "rent" have outgrown the capabilities of a U.S. federal budget squeezed by a cumulative three trillion dollar debt. Other issues, such as differing perceptions of external threat and criminal jurisdiction, further complicate the relationship between the two nations.

For the first time since liberating the Philippines from the Japanese in 1945, the U.S. is faced with the real possibility of withdrawing its military forces from the Philippines. On the other hand, this dilemma presents the United States with an opportunity to shape events. If the U.S. can prudently disperse its forces in the region and stimulate greater security
collaboration from its Asian allies, it may have found the best

guarantee of maintaining its critical stabilizing role in the re-
gion. However, alternatives to the U.S. facilities in the
Philippines must be credible, sustainable, and support the United
States' military strategy in Southeast Asia.

PROBLEM

The central question becomes whether U.S. military strategy
in the region can be executed if the U.S. facilities in the
Philippines are closed. Current U.S. military strategy rests on
three pedestals; military objectives, resources, and operational
concepts. If our nation's military strategy is to remain effec-
tive, the three pedestals must stay balanced.2 The United
States' strategic military objectives (deter aggression, protect
lines of communication, and defend the homeland) are not likely
to change in the foreseeable future. On the other hand, military
resources are likely to be significantly reduced in a Five Year
Defense Plan that Secretary of Defense Dick Cheney asserts will
include an annual decline of two percent after inflation and a
ten percent cut of troops in the Pacific.3 Thus, can the
United States' strategic military concepts (forward defense,
collective security, reinforcement, sustainment, and security
assistance) be reshaped to maintain balance with the nation's
regional military objectives and resources given the closure of
the U.S. facilities in the Philippines. Our response must seek
constructive, creative answers.
ASSUMPTIONS

To help focus on the problem, I will proceed on the following assumptions:

- U.S. national security objectives will remain unchanged in the Pacific (e.g., preserve the territorial integrity of the U.S. and our allies, and allow unencumbered U.S. access to world markets and sources of strategic resources).

- The U.S. military strategic concepts of forward basing or deployments, and collective security arrangements with allies and friends will not change. On the other hand, the numbers of U.S. forces forward deployed will likely decrease.

- The result of the MBA negotiations between the U.S. Government and the GOP will be a terminal bases agreement that allows the U.S. military a final ten years use of the U.S. facilities in the Philippines. On or about 2001, all permanently based U.S. personnel and equipment will relocate.

- During the ten year phaseout of U.S. military forces in the Philippines, no general war or serious global economic reversals will be experienced. Also, the Southeast Asian region will remain politically stable.

U.S. NATIONAL INTERESTS AND OBJECTIVES

The purpose of U.S. forces in Southeast Asia can be traced all the way to the basic national interests of the United States -- survival of the nation, a healthy U.S. economy, a stable world that allows democratic institutions and free trade, and healthy alliances. From these interests certain national objectives are derived. Those that are especially pertinent to Southeast Asia include:

- Assuring unimpeded U.S. access to the oceans and space.
- Ensuring access to foreign markets, energy, and mineral resources by the United States and its allies and friends.
- Encouraging and supporting aid, trade, and investment programs that promote economic development, and the growth of free and humane social and political orders.
in the Third World.
- Maintaining stable regional military balances vis-a-vis the Soviet Union and states aligned with it.\textsuperscript{5}

While the United States has strong diplomatic and economic instruments of power at its disposal, it must also remain ready to employ its military forces in coordination with the other instruments of power. Therefore, the United States has professed a national policy of deterrence in Southeast Asia, as it has in other parts of the globe. Over the years the U.S. has made it clear that it will respond to coercion or aggression against our security interests.

**U.S. MILITARY STRATEGY IN SOUTHEAST ASIA**

Historically, U.S. National Security Strategy has been based on the concepts of forward defense and alliance solidarity. The objective of this strategy is to deter war. But if deterrence fails, the objective is to terminate armed conflict quickly and on terms favorable to the U.S. and its allies and friends. In peacetime the strategy serves to develop self-sufficient allies. Consistent with that strategy, the United States has maintained forward deployed forces at sea and on the territory of our Asian allies in times of peace. This posture has served many functions for the United States.

Forward forces have maintained the regional balance of power to preclude domination by countries such as the Soviet Union or China. Southeast Asia and the Western Pacific are politically volatile, geographically congested, island and archipelago zones through which the oil lifelines of U.S. Pacific allies and
friends pass. These sea lines of communication (SLOCs) constitute the strategic jugular veins of these countries; for example, 75 percent of Japan's oil flows through the Malacca Straits. Forward deployed naval forces in the area have enabled the U.S. to patrol these critical SLOCs and allowed the economies of East Asia to prosper in a relatively secure environment. Additionally, the forward bases have served U.S. interests in other theaters; the United States' efforts in the Persian Gulf would have been very difficult without the access the U.S. enjoys across the Pacific and Indian Oceans.

Above all, U.S. military forward presence signals U.S. resolve and commitment and thereby bolsters confidence in the United States as a reliable ally and friend. Such perceptions are extremely important when we consider the diversity of Pacific, and especially Southeast Asian, nations. Differences in threat perception, political sensitivities, and economic and military capabilities preclude a coalition approach used in NATO, and leads to reliance on bilateral, rather than multilateral, relationships. While organizations like ASEAN serve to promote common economic and political goals in Southeast Asia, the United States' presence acts as the "glue" binding individual countries to a common regional security perspective.

HOW U.S. FACILITIES CONTRIBUTE TO THE STRATEGY

Admiral Alfred Mahan, the great naval strategist, felt that victory in the Spanish-American War and acquisition of strategic bases in the Philippines gave the U.S. a chance to establish a
global economic and naval supporting role in the Western
Pacific. As Evelyn Colbert notes, over the years the bases in
the Philippines have realized that expectation:

Today the American facilities at Subic, Clark, and
their smaller associated installations support the
operations of the Seventh Fleet and other U.S. forces
over an arc that stretches from the Persian Gulf
through the narrow straits connecting the Indian and
Pacific Oceans to the northernmost reaches of the
Japanese archipelago. Their central location along
this arc is a major asset... Extensive and
sophisticated capabilities for maintenance, repair,
supply, and training complement the bases' geographic
advantages and contribute greatly to military
readiness. Advanced communications capabilities form
an important part of the regional network.8

These advantages, combined with the low-cost Filipino labor force
and the high cost of replicating the facilities elsewhere, demon-
strate their importance as a large, centrally located sustainment
hub.

If deterrence fails and the United States and its allies
are involved in hostilities in the Pacific, the U.S. facilities
in the Philippines would support the war effort in at least three
ways. First, U.S. Navy P-3s based at Cubi Point and U.S. Navy
battle groups supported out of Subic Bay would patrol and protect
the critical SLOCs in the South China Sea, thereby ensuring con-
tinued logistical support of operations in Northeast Asia and the
Indian Ocean, as well. Secondly, U.S. Air Force and Navy assets
stationed in the Philippines would police the Southeast Asian
region, cutting short any outbreaks of hostilities in the area
and defending the sovereignty of the Philippines. Finally, the
facilities would take on the role of a forward repair and staging
area, much as they did during both the Korean War in the 1950s.
and the Vietnam War in the 1960s and 70s. The Ship Repair Facility at Subic Bay would become a major refit location, while the Naval Magazine at Subic and the ammunition bunkers at Clark Air Base would supply the necessary ordnance for warfighting. The Naval Supply Depot at Subic and the Military Airlift Command (MAC) Aerial Port at Clark Air Base would funnel personnel and equipment to any of the fronts in the Pacific or Indian Ocean. As it did during the Vietnam War, the Regional Medical Center at Clark Air Base could be used as a rear-area facility to handle combat casualties. All the while, U.S. communications and intelligence facilities in the Philippines would facilitate the war effort.

IMPACT OF U.S. FORCES WITHDRAWAL FROM THE PHILIPPINES

Withdrawal from the facilities poses serious problems for U.S. strategic planning and Philippine internal development. Also, other liabilities and uncertainties need to be addressed bilaterally and multilaterally. The impact of U.S. withdrawal can be projected on three levels: (1) the national level -- U.S. and the Philippines; (2) the regional level -- Southeast Asian considerations (but also Northeast Asian reactions); and (3) the global level -- primarily the interaction between the U.S., the Soviet Union and China.

Impact on the Philippines

Politically, the withdrawal of U.S. forces will finally fulfill the Philippine claim to national sovereignty and "cut the
American father down to brotherly size."11 On the other hand, the removal of U.S. forces could also allow the nation's unstable domestic political environment to degenerate. Members of the right wing Reform of the Armed Forces Movement (RAM) or communist insurgents could precipitate an uprising or coup d'etat that would plummet the Philippines into anarchy and economic ruin. Diplomatically, the Philippines' relations with other ASEAN nations could take a turn for the worse, due to those nations' perception that the GOP had not supported the political and economic stability of the Southeast Asian region by allowing the U.S. facilities to remain.

Most certainly, the withdrawal of the U.S. forces would remove the direct economic benefits generated by the U.S. facilities (Filipinos working on the facilities draw the second largest payroll in the Philippines after the GOP).12 In FY 1988 the American military directly spent over $531 million in the Philippines, which equates to 1.6 percent of the 1988 Philippine GNP.13 Including secondary jobs and revenues created directly from the bases, the Filipinos themselves estimate the loss of 300,000 jobs and $1 billion from the nation's $38 billion GNP if the bases close.14 Additionally, it is hard to imagine that business confidence and foreign investment would not also falter after a withdrawal of U.S. forces.

Under the provisions of the Mutual Defense Treaty, the United States provides a radar screen and tactical aircraft for air defense, since the Philippine Air Force (PAF) has few modern aircraft or reliable radars to detect intruders.15 Additional
ly, the Philippine Navy, with its three aging frigates, 51 patrol craft, and 65 Coast Guard craft is very small, in poor repair, and does not provide a credible coast guard function (much less a blue water capability). In fact, it has been estimated that the Armed Forces of the Philippines (AFP) would require as much as $2 billion to protect the nation's airspace and seas, without considering follow-on annual costs of operation.

Since the Philippine defense budget of $766 million (1987 figures) already consumes over 13 percent of the GOP budget, it is hard to conceive of the Filipinos addressing external defense in the near future.

For the time being, the GOP is correctly focusing on the communist insurgency. Also, the removal of some Soviet aircraft from Cam Ranh Bay has reduced the external threat in the South China Sea. However, every nation that wishes to remain free and independent must be able to defend its national airspace and territorial seas. Withdrawal of U.S. forces would remove the few assets available in-country to provide for external defense of the Philippines.

**Impact on the United States**

The United States stands to "lose face" in the East Asian and Pacific community by withdrawing U.S. forces from the Philippines. Removal of U.S. forces will probably increase apprehension, and the reliability of the U.S. will be questioned. Removal of U.S. forces from the Philippine bases will not change the U.S. military strategy in the Pacific, but it could have
deleterious effects on continued U.S. military presence in the Southeast Asian region -- especially if credible, sustainable alternatives are not found.

Since the U.S. has enjoyed nearly a century of close ties with the Philippines, and since U.S. national interests in "the growth of human freedom, democratic institutions, and free market economies" will remain, the United States would very likely reaffirm healthy political and economic ties with the Philippines, even if it withdrew forces. The problems of the Philippine economy or the communist insurgency will not disappear with the removal of U.S. forces. They will likely increase. As long as the withdrawal of U.S. forces from the Philippines is accomplished amicably, the United States will probably continue its security assistance to the Philippines, although likely at a reduced level.

Regional Impact

While the U.S. facilities are important to the security and welfare of the Philippines, the comparable importance of the bases to the peace and stability of the entire Southwest Pacific basin is often overlooked. Removal of permanently based U.S. forces in the Philippines could contribute to flare-ups in the continuing disputes among China, Taiwan, Vietnam, the Philippines, and Malaysia over the Spratly islands and atolls. Reduced U.S. military presence in the South China Sea could also cause the Japanese to consider extending their SLOC protection role beyond the current 1000 nautical mile range. With removal
of the U.S. forces from the Philippines, other nations in the area would have to pick up some of the responsibilities for security, or host U.S. functions to maintain regional stability.

Global Impact

The overarching impact of U.S. forces removal from the Philippines could be the insidious, yet certain, changes in the balance of power among the world powers in the area -- the United States, the Soviet Union, and China. While the Soviets have their own political and economic problems and have made some unilateral reductions in the Far East of troops on the Mongolian border and some aircraft from Cam Ranh Bay, they remain a formidable Pacific force. Anticipating a decrease in U.S. influence, the Soviets have already made numerous diplomatic and economic overtures to the Philippines (e.g., use of shipyards, rehabilitation of Philippine infrastructure, and exportation of Filipino labor). At the same time, decreased U.S. military presence might allow the Chinese Navy greater relative power in the South China Sea. This would complement an increasing role for China in Southeast Asian economics if U.S. influence is reduced.

PREVIOUS STUDIES ON ALTERNATIVES TO THE PHILIPPINE BASES

As James Fallows noted in his February 1988 article, "The Bases Dilemma," most military studies on alternatives to the Philippine bases recognize three options: (1) shift U.S. forces and facilities to U.S. bases that already exist in the Western
Pacific - Korea, Japan, Okinawa, and Guam; (2) build new bases in
the Micronesian islands, east of the Philippines, where the
United States has federal land; and (3) make new arrangements
elsewhere in Southeast Asia. A February 1986 Congressional
Research Service report by Alva Bowen, which is representative of
many studies on the subject, explored these three basic options.
It concluded that using only present facilities in the Western
Pacific would not be operationally effective; the United States
would need alternative sites in Micronesia and/or Southeast Asia.
The report also estimated that the political feasibility for all
three options seemed doubtful, but especially uncertain for
Southeast Asia. Bowen recommended a combination of all three
options to minimize new military construction and increased oper-
ating costs. However, several additional battle groups costing
upwards of $60 billion were anticipated to compensate for
increased distances between ports and operations areas.

The most recent statement of costs for U.S. withdrawal
occurred during the final month of negotiations in the 1988
review of the U.S.-Philippines MBA. At that time, Secretary of
Defense Frank Carlucci told Foreign Minister Raul Manglapus that
it would cost about $2.5 billion to move the bases elsewhere, as
well as about $590 million yearly in additional operating costs.
These estimates were drawn from a new Joint Chiefs of Staff study
which also estimated a cost of less than $5 billion to create new
facilities elsewhere -- including U.S. territories in Guam,
Saipan, and Tinian.

A review of potential host nations in East Asia and the
Pacific will shed further light on possible options for the United States.

SOUTHEAST ASIAN COUNTRY ASSESSMENTS

Republic of Singapore

In August of 1989, Prime Minister Lee Kuan Yew announced an offer to host some of the U.S. forces currently based in the Philippines. His offer reduced left wing pressure on President Corazon Aquino while seeking to ensure continued U.S. presence in Southeast Asia. The former British naval base at Sembawang offers an excellent location and ship repair facilities that are currently used on a commercial basis by the U.S. Navy (some 80 port calls a year). On the other hand, the base would be vulnerable in a crisis and lacks significant fuel storage and warehouse facilities. Tengah or Paya Lebar Airfield can accommodate all U.S. military aircraft and are used by U.S. Navy P-3C maritime patrol aircraft and U.S. transports from time-to-time.

Thailand

Thailand is a staunch anti-communist member of ASEAN. The United States maintains an official security relationship with Thailand through the Manila Pact of 1954 and the 1962 Rusk-Thanat accord. Although no U.S. forces are permanently based in Thailand, the U.S.-Thai military relationship remains strong through numerous combined exercises such as COBRA GOLD.
Recognizing Thailand's frontline status adjacent to Cambodia, the United States authorized the delivery of 12 F-16A/Bs to Thailand in 1988 for $318 million.\(^{27}\) In January 1987, the United States and Thailand signed an agreement that allows a stockpile of munitions at selected sites for Thai use.\(^{28}\) Sattahip Harbor has minor ship repair capability and is currently visited by U.S. Navy vessels. Overall, the political climate in Thailand would seem to indicate that at least periodic access to airfields and ports can continue. However, Thailand will not provide permanent basing of U.S. forces displaced from the Philippines, as was announced by the Thai government in response to the U.S.-Singapore initiative.\(^ {29}\)

**Republic of Indonesia**

Indonesia provides a natural barrier between the Indian and Pacific Oceans. However, Indonesia maintains a non-aligned policy as one of the founders of the Non-Aligned Movement. Due to its large Muslim population and membership in the Organization of the Islamic Conference, Indonesia also must consider the impact of foreign policy decisions on Islamic solidarity. Partially as a result of detecting numerous violations of Indonesian airspace by Cam Ranh Bay based Soviet reconnaissance aircraft, the U.S. agreed to sell 12 F-16A/Bs to Indonesia. These aircraft will be operational in late 1990.\(^ {30}\) While the Indonesian government may allow continued U.S. ship visits and possibly use of range airspace, they cannot be expected to offer any permanent presence for U.S. forces due to policies of non-alignment.
Malaysia

Strategically located on the north shore of the Strait of Malacca and also astride the South China Sea at East Malaysia (Borneo Island), this constitutional monarchy strongly supports regional cooperation. Malaysia is a charter member of ASEAN and is also a moderate member of the Non-Aligned Movement and the Organization of the Islamic Conference. Malaysia, along with Singapore, has defense ties with the Five Power Defense Arrangement (FPDA -- Great Britain, Australia, New Zealand, Singapore, and Malaysia), and allows Australian F-18s and P-3Cs to deploy frequently to Butterworth Air Base.

In August of 1989, Prime Minister Mahathir Mohamad responded to Singapore's offer to support U.S. forces in Southeast Asia by saying that he was opposed to "actual basing of American troops ... squadrons of American planes ... or the American Navy converting part of Singapore into a naval base ... the way they are stationed in the Philippines." On the other hand, the Prime Minister openly backed continued U.S. forces presence in the region, noting that U.S. military presence should gradually be drawn down only after corresponding Soviet steps, such as withdrawal of forces from Cam Ranh Bay. Importantly, he added that he had no objections to Singapore providing repair facilities and other services to American forces. As a matter of fact, he said that Malaysia would be willing to provide such services, since the nation currently allows the joint use of military facilities with members of the FPDA. Certainly, access to
Malaysia's airfields or naval bases would enhance the United States' security posture in the region.

**Australia**

Australia is the United States' staunchest ally in the South Pacific and strongly supports continued U.S. presence in the region. Through the ANZUS treaty, the U.S. and Australia have a close security relationship and share a number of joint facilities. Australia allows U.S. Air Force B-52s to fly out of Darwin to perform maritime surveillance of the Indian Ocean. Likewise, Royal Australian vessels cooperate with U.S. Navy assets in patrolling portions of the Indian Ocean. Additionally, U.S. Navy ships routinely access Australian ports, including Cockburn Sound on the west coast and Sydney, Melbourne, and Brisbane in the southeast. Australia is also home to some very important U.S. communications and intelligence posts at the Northwest Cape Communications Station, Tennant Creek, Alice Springs, Pine Gap, and Nurrungar. While Australia is considerably south of the South China Sea, its northern coast is relatively close to the Sunda and Lombok Straits and allows direct air routes to Diego Garcia in the Indian Ocean. Following a drawdown of the Philippine bases, the United States could expect continued access to Australia's ports and possibly temporary stationing of U.S. air assets at bases like Darwin and Tindal on the northern coast. However, the nation's Labor Party would probably balk at permanent basing of U.S. forces on the continent.
Japan

Japan, the largest creditor nation in the world with the second largest GNP ($1,843 billion in 1988), is the cornerstone of the United States Pacific Command's forward deployed strategy. Besides hosting U.S. forces, Japan also carries part of its weight for external defense. Departing from the National Defense Program Outline of 1976, Prime Minister Suzuki in 1981 promised to expand Japan's defense responsibilities to include the sea and airspace within a 1,000 nautical mile radius of Honshu.\(^3\)

With the withdrawal of U.S. forces from the Philippines, some personnel and equipment could be stationed in Japan. However, U.S. forces stationed in Northeast Asia must remain below a Congressionally mandated level.\(^3\) Also, the United States must remain mindful of political sensitivities to additional U.S. forces in Japan, especially on Okinawa. Alternately, the United States could ask Japan to expand its 1,000 nautical mile responsibility for maritime patrol. However, there are great concerns over this increased Japanese role in the ASEAN countries. As was noted by the Commission on Integrated Long-Term Strategy in October 1988, "Japan's greatest incremental contribution can come from economic help to such strategically important countries as the Philippines."\(^3\)

Republic of Korea

The Republic of Korea, a staunch anti-communist nation, is
linked to the United States by a long standing Mutual Defense Treaty. With a GNP of $156 billion and a growth rate of 12 percent in 1988, the Republic's economy is strong and viable. The United States has maintained a large presence on the peninsula since the Armistice ending the Korean War was signed in 1953. While the Clark-based F-4 tactical fighters could be moved to the Republic of Korea, U.S. defense budgeting trends call for a scaling back of forces on the peninsula. In fact, the FY 1991 budget calls for shutting down Air Force operations at three bases in South Korea and pulling out 2,000 Air Force personnel. While the Clark-based F-4 tactical fighters could be moved to the Republic of Korea, U.S. defense budgeting trends call for a scaling back of forces on the peninsula. In fact, the FY 1991 budget calls for shutting down Air Force operations at three bases in South Korea and pulling out 2,000 Air Force personnel.38 Secondly, political initiatives in the Republic of Korea call for making its military forces self-sufficient. Additional U.S. fighter squadrons would hardly contribute to that initiative.39 Further, increased U.S. military presence in South Korea would undoubtedly frustrate Korean unification negotiations.

MICRONESIAN COUNTRY ASSESSMENTS

Guam

Located 1,500 miles east of the Philippines, Guam is an unincorporated territory of the United States and the site of the nation's westernmost military bases. Andersen Air Force Base, which supported over 150 B-52s during the Vietnam War, is presently the home of the Strategic Air Command's 43rd Bombardment Wing with 14 B-52Gs (scheduled for deactivation in FY 1991) and six KC-135s.40 The base incorporates all of the normal support functions for both day-to-day operations and combat
sorties. Guam's U.S. Navy Ship Repair Facility is much smaller than the Subic Bay facility and has only one floating drydock at its disposal. The Naval Supply Depot Guam meets all U.S. military requirements in the area and includes four cargo wharves in Apra Harbor as well as a significant POL storage capacity that services all DOD agencies on the island. The Naval Magazine occupies 8,800 acres on the south end of the island and can store all types of U.S. munitions. In the center of the island is Naval Air Station Agana which is home to a Helicopter Combat Support Squadron and a Fleet Air Reconnaissance Squadron. It also serves as a forward base for P-3C detachments. The Naval Communications Area Master Station in Guam serves as a hub for communications bound for the Western Pacific and the Indian Ocean.41

While Guam seems to offer the most promising alternative location, especially for U.S. Navy assets, it is not without its potential problems. First, Guam has a significant labor shortage, which will be exacerbated into the 1990s with the construction of some 1,400 hotel rooms on the island by Japanese corporations.42 In order to build up the Ship Repair Facility at Guam, skilled and semi-skilled labor would be required; DOD needs will be competing with the private sector. The DOD holds some 3,500 acres of undeveloped land in Guam which might be needed to relocate facilities now in the Philippines; however, the Government of Guam is petitioning the DOD through Congress to turn over all this land.43 While these potential hurdles do exist, they are not insurmountable.
Rota, Saipan, and Tinian (Commonwealth of the Northern Mariana Islands)

These three islands, which are all within 100 miles of Guam, have undeveloped areas that could be used for facilities displaced from the Philippines. Since 1983 the U.S. Government has leased lands on Tinian for C-130 training on the old World War II runways and for Guam National Guard field maneuvers. However, there is no facility infrastructure on the island, and construction would require a major capital investment. There are no military facilities on Rota or Saipan, and Japanese investors are rapidly expanding the tourist industry on both islands.

Palau

Palau is a 180 square-mile archipelago of eight islands located approximately 700 miles southwest of Guam and 900 miles southeast of Subic Bay. The Palauns negotiated a Compact of Free Association with the United States in 1982. It granted the U.S. rights for a naval facility and joint use of several airfields, as well as 2,000 acres for logistics purposes. The Compact was to become effective in 1986; however, the Palau Constitution contained an anti-nuclear provision. This situation has not been resolved and remains entangled in political processes. Any development of facilities on Palau would again involve extensive capital investments.

RECOMMENDATIONS

The United States should not completely withdraw from the
Southeast Asian region. Nor should the U.S. construct duplicates of the Philippine bases in another Pacific location. Rather, it should disperse forward deployed assets throughout the Western Pacific, and encourage the ASEAN nations and ANZUS partners to share an increased role in the region's stability. Such rearrangements should not necessitate revised security arrangements. Rather, these rearrangements call for enhanced political and military cooperation in shared air and naval surveillance or training exercises, for example. A major benefit of new arrangements that dispersed U.S. involvement and responsibility in the region would be the United States' decreased dependence on any one single nation. The U.S. could thus signal the end of "colonialism" in the Philippines without isolating itself from Southeast Asia. Further, U.S. survival during initial hostilities would be increased through a dispersed forward deployed force.

The alternative I envision includes: a small portion of ship repair at Subic going to Yokosuka in Northeast Asia; a number of organizations relocating to Guam in Micronesia; and a large number of facilities dispersing to new locations in the Southeast Asian region where they will be close to potential hotspots. Let's now consider this proposal in the framework of current U.S. military strategic concepts.

Forward Defense

Following the United States' withdrawal from Subic Bay and its airfield at Cubi Point, the U.S. Navy must find other loca-
tions to launch and recover P-3C maritime patrol aircraft to monitor the South China Sea and the chokepoints leading to the Indian Ocean. Fortunately, a number of strategically located airfields in ASEAN could provide the needed bases of support. Options I recommend include: Tengah Airfield in Singapore, which has supported U.S. P-3Cs; U-Taphao Air Base in Thailand; and Butterworth Air Base in Malaysia, which is used by Australian P-3Cs. Also, since the Philippines will remain a strategically located ASEAN nation, P-3 operations out of a Filipino controlled Cubi Point should not be ruled out.

Another dimension of the U.S. Navy's ability to control the SLOCs in the region includes battle groups present in the area. While dispersal of the centrally located ship repair and supply facilities at Subic may cause increased operating costs for these ships, the United States' withdrawal from the Philippines will also showcase the battle group's centerpiece, the aircraft carrier. In his FY90 Report to Congress, Admiral Carlisle Trost stressed the same point: "The essential value of naval forces -- an ability to operate autonomously in areas where we have no permanent base structure -- is unlikely to change." His follow-on example is particularly relevant. In the 1960s the U.S. funded both the USS John F. Kennedy and the bases at Cam Ranh Bay. He noted that we now operate from only one of those facilities. Therefore, I would recommend continuing with at least a portion of the Navy's aircraft carrier program. However, we must recognize that U.S. carrier battle groups are not always in the South China Sea.
U.S. presence in the Southeast Asian region must also provide the capability for fast reactions to situations that erupt quickly and unexpectedly. Therefore, as Admiral Stansfield Turner has argued, I recommend some of the monies forecast for large aircraft carriers be used to build a "larger number of amphibious ships deployed in brigade-sized units so U.S. Marine Corps or U.S. Army units could move rapidly to trouble spots without the need for permanent overseas bases." 48

Part of the United States' ability to react quickly in Southeast Asia has also rested with the tactical fighter wing stationed at Clark Air Base. While facilities for stationing these fighters exist in Korea or Japan, the United States' fiscal trends and host nation political sensitivities may eliminate these options. Singapore's Prime Minister Lee Kuan Yew has offered use of his nation's airfields, but Singapore does not have adequate airspace for fighter training. Further, both neighbors, Indonesia and Malaysia, have discouraged basing U.S. fighters permanently in Singapore. Opportunities exist in Thailand, Australia, and even Malaysia and Indonesia, for continued or future temporary deployments (such as exercises) of U.S. fighters, but not for permanent basing. All of this points to the now quite empty ramps at Andersen Air Force Base in Guam. While the area surrounding Guam obviously provides no low-level training opportunities, most of the ASEAN nations do have range facilities available for U.S. fighters to use. Regardless of U.S. air presence in the region, by the turn of the century the air forces of ASEAN and Australia will have become a much more
modern and integrated force, if present trends continue.

**Collective Security**

The nations of Indonesia, Singapore, and Thailand have all bought F-16A/Bs -- a total of 50, including 18 aircraft that will be delivered to Thailand in 1991. All of these tactical fighters are Block 15 operational capability upgrade (OCU) aircraft that have similar features. As they acquire additional F-16s through the 1990s, the ASEAN nations will develop a need for a parts and repair depot in the region. This would reduce unit costs through bulk purchases and eliminate ferrying aircraft back to the U.S. for major depot repairs. While this concept has only emerged at the discussion stage among the ASEAN countries, Clark Air Base would appear to offer a good location. The withdrawal of U.S. forces from the Philippine bases will leave approximately $2.1 billion in buildings and structures available for such a use. Establishment of a major ASEAN F-16 depot at Clark would also help to offset the tremendous loss of Filipino employment as the U.S. Air Force departed.

In addition to Clark's potential as an F-16 logistics center, the base is also well known for its excellent location for air operations training. In the interest of the region's collective security, steps could be taken to make Clark Air Base an ASEAN training base -- a multilateral use airfield. A first step in that process could be taken in the 1990s, as the U.S. prepares to drawdown at Clark, by moving the Philippine Air Force 5th Fighter Wing to Clark with the completion of the parallel
runway. Toward the end of the 1990s Clark could provide one of several sites for ASEAN aircrews to routinely train. The precedent for this is, of course, the nearly permanent detachment of Singapore Air Force aircraft at Clark Air Base that uses the Crow Valley range for air-to-ground practice. Likewise, Australian and Thai aircrews use the ranges during frequent COPE THUNDER exercises sponsored by Pacific Air Forces. Naturally, the U.S. Air Force in the Western Pacific would like to share opportunities to use both the depot and the training ranges available in the Philippines.

Similar cooperation and multilateral use of the Ship Repair Facility at Subic Bay could join the ASEAN nations and the U.S. in a commercial agreement with the Philippines. A ready labor force would be in place. Further, many of the ships owned by the ASEAN nations are of either U.S. or British design, so the facility would be familiar with their repair needs.

If the countries of the region can tie these multilateral logistics and training efforts together with cooperative maritime surveillance (like the Thai-Malaysian joint patrol of their gas production areas in the Gulf of Thailand) and command and control (e.g. the FPDA's integrated air defense system), the stability of Southeast Asia will be greatly enhanced.

Reinforcement

With the withdrawal of U.S. forces from Clark Air Base and Naval Air Station Cubi Point, the United States will lose important aerial ports linking it to the rest of Southeast Asia and to
Diego Garcia in the Indian Ocean. However, certain alternatives may even offer some improvements. The Clark to Diego Garcia route is over 3,300 nautical miles, which is just about as far as a C-141 or C-5 can go with enough cargo to make the flight worthwhile. By splitting the total distance between Guam and Diego Garcia at Singapore instead, the legs become more nearly equidistant, thereby allowing more cargo to be transported. Bases like U-Taphao in Thailand or Darwin in Australia offer alternates to the United States' resupply of the Indian Ocean outpost. This concept of strategic airlift in the region would involve small aerial port operations, requiring small numbers of personnel.

Reinforcement for any contingency in the region would also depend on strategic sealift. With U.S. forces withdrawn to either Guam or the Continental U.S., the initiatives for strategic sealift, including new 50-knot surface effect ships, becomes more critical. This U.S. withdrawal alternative, like those that will happen in NATO as a result of Conventional Forces Europe negotiations, argues for a defense budget that heavily emphasizes strategic sealift and airlift.

**Sustainment**

Guam offers the best compromise for the bulk of the Seventh Fleet's repairs. Since the four floating drydocks at Subic Bay do not come under the purview of structures that must be left by the U.S., military officials are already planning for their removal. Guam would seem a likely location for some. While
Guam has a labor shortage problem that could intensify by the
turn of the century, the U.S. has a decade of lead time to
develop a pool of trained repairmen who can bolster the workforce
at the ship repair facility in Apra Harbor. Some willing
Filipino workers from Subic Bay could form an initial cadre of
laborers in Guam.

While labor rates at the Sembawang facility are high, they
are lower than those in Guam, Hawaii, or Japan. Therefore, the
United States should take Prime Minister Lee Kuan Yew up on his
offer for increased use of Sembawang. The accommodations and
facilities that were vacated by New Zealand's 700 man battalion
in 1989 could be used by a small contingent of U.S. Navy person-
nel to monitor commercial repairs and to stock necessary
warehouses. Additionally, the United States should negotiate
some repairs in Malaysian ports, in positive response to Prime
Minister Mahathir Mohamad's remarks in August 1989 concerning
Malaysia's willingness to support U.S. presence in the
region. Of course, the U.S. should also utilize repair
facilities that are available in Australian ports.

To sustain the Seventh Fleet and U.S. Air Forces, the
United States will also need to rely on a network of depots,
including those in Guam and other nations in the Southeast Asian
region. With its large munitions storage area and POL storage
capabilities, Guam Naval Supply Depot is the natural alternative
for a good portion of stores now maintained at Subic Bay and
Clark, especially for sensitive munitions. However, other
locations in the region are needed. One possibility would be to
expand the Joint Thai-U.S. War Reserve Stockpile in Thailand, using Sattahip as a possible onload point for the U.S. Navy. Another location for Seventh Fleet stores would be the Darwin port, where fuel and consummables could be stored.60

In addition to repair and supply, communications facilities at San Miguel Naval Communications Station; transmitters at Capas, Tarlac; and communications facilities at Clark Air Base would need to be relocated following a U.S. withdrawal from the Philippines. The current communications stations in Australia and Guam seem to offer the best sites, since communications networks are established at those locations.

Beyond this range of alternatives, the U.S. should work actively to retain reserved or leased land rights on Guam and Tinian for possible future use and preserve U.S. rights for a naval facility and joint use of airfields in Palau. Additionally, the United States could explore joint restoration of Udorn Air Base and U-Taphao Air Base in Thailand to be maintained in readiness by small teams of U.S. personnel for contingency use.61

Security Assistance

During the 1990s and possibly into the next century, the United States must continue its significant security assistance program to the Republic of the Philippines. This means that Congress must reevaluate the dispersal of foreign aid, which totaled $11.8 billion in the FY 1990 Administration request. Almost half of that aid goes to Israel ($3.0 billion) and Egypt
With the addition of other competitors for aid (the East European nations and Panama), the Philippines must not lose significant ground.

The gradual drawdown and closure of the U.S. facilities by the end of the 1990s must be counteracted by a continued strong economic aid program in the Philippines. However, the targets of that aid should be adjusted, as A. James Gregor noted in 1984:

The expansion of direct U.S. economic aid would serve little purpose if that aid failed to reach the regions most in need. In the past, U.S. economic aid ... has been disbursed only to areas immediately adjacent to the bases. Now, however, such assistance is most needed in the Visayas and in Mindanao, where the seriously impaired economy has provided communist insurgents with profitable opportunities for mischief.

The United States' military assistance to the AFP is also vital to the survival of democracy in the Philippines. The maintenance of grant Military Assistance to the AFP managed by the Joint U.S. Military Assistance Group is important for the defeat of the communist insurgency. As long as the Philippine Administration provides prudent direction of the military effort against the New People's Army (NPA), the U.S. should continue to supply the basic equipment that the AFP needs.

CONCLUSIONS

The United States' withdrawal of military forces from the Philippine facilities will not signal the collapse of U.S. influence in Southeast Asia. Nor will it mean that U.S. forward deployed forces that remain in the region will be any less credible or sustainable. In fact, the closure of the U.S. bases presents
opportunities for the United States to help improve the security and stability of the region. Using a network of access to ports and airfields in the region, the U.S. Navy and Air Force will be able to patrol and control the sea lanes and to react quickly to whatever contingencies may arise. Some of the ASEAN nations and Australia will share a greater portion of security responsibilities for the area. The Philippines can contribute, as in the past, by providing a location for logistics and training for nations in the region as well as for the United States. Closure of the U.S. facilities will also decouple the flow of U.S. security assistance from access to bases. Thereafter, U.S. aid will be tied to the GOP's economic reform and defeat of the communist insurgency.

The United States' withdrawal from the Philippine facilities will allow U.S. forces to be dispersed throughout the region without overwhelming any host nation. Moreover, the relocations should save money in the long run and contribute to reducing the fiscal budget deficit. Indeed, a briefing on the Department of Defense's possible reductions in the Pacific theater, which included troop reductions in Korea and relocation of the forces in the Philippines by FY 1994, estimated a savings of $3.6 billion. As former Chairman of the Joint Chiefs of Staff Admiral William Crowe noted in 1988, "It's not going to be the end of the world" if the U.S. military loses access to Subic Bay Naval Base and Clark Air Base. It is important for military planners to "face fiscal realities." It is equally important to plan creatively to reduce future uncertainties.
ENDNOTES


5. Ibid., pp. 3-4.


17. Ibid.


26. Ibid., p. 91.

27. Ibid., p. 95.


30. Simon, p. 79.

33. Simon, p. 121.
34. Ibid.
35. Ibid., p. 47.
42. Ibid., p. D-9.

50. Simon, pp. 83; 97.


52. Simon, p. 91.

53. Simon, pp. 82; 113.


57. Simon, p. 131.


60. Ibid.

61. Ibid.


65. Ibid.