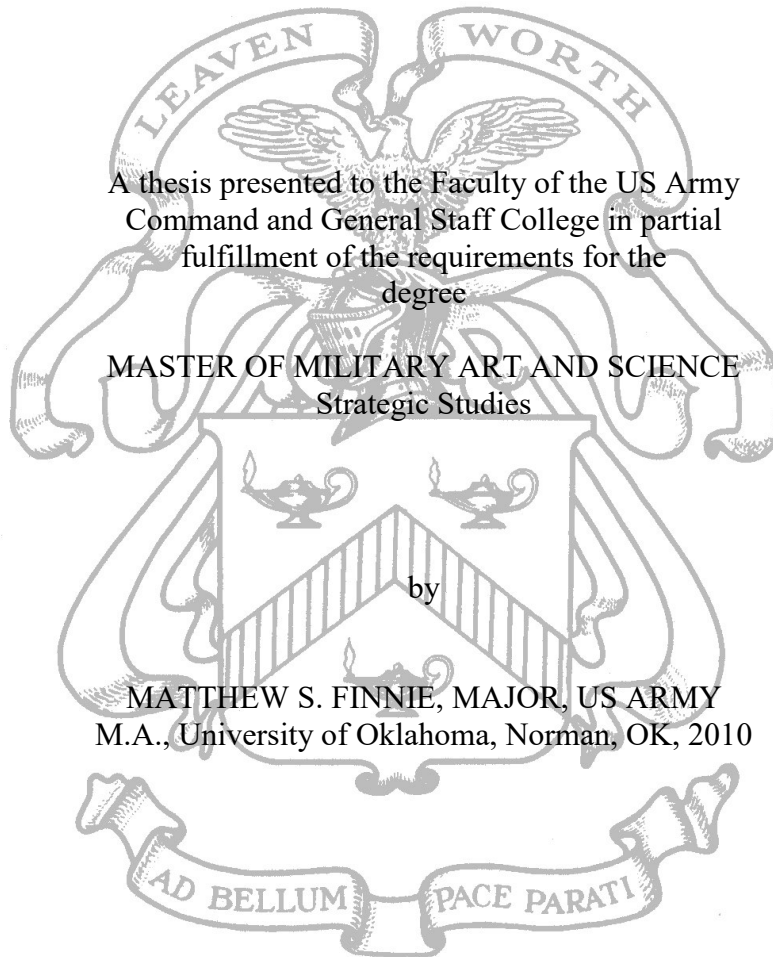


CHINA'S GRAY ZONE ACTIONS IN THE PHILIPPINES



A thesis presented to the Faculty of the US Army
Command and General Staff College in partial
fulfillment of the requirements for the
degree

MASTER OF MILITARY ART AND SCIENCE
Strategic Studies

by

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The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)

ABSTRACT

CHINA'S GRAY ZONE ACTIONS IN THE PHILIPPINES, by MAJ Matthew S. Finnie, 130 pages.

The United States Government lacks an effective strategy for protecting national strategic interests in the Republic of the Philippines from the threat of China's actions. Several of these interests are threatened at a significant level of risk due to China's effective use of the instruments of national power—Diplomacy, Information, Military, and Economic (DIME). China is attempting to break the alliance between the US and the Philippines, to establish de facto control of the South China Sea, and to circumvent the international order in favor of its own alternative order. These actions are coordinated to achieve hegemony in the region that some consider to be the global economic center of gravity. This study analyzes how the US, China, and the Philippines have used ways and means to coordinate the elements of national power in support of achieving national objectives, and also assesses the risk to US national strategic interests in the Philippines.

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ACRONYMS

AFP	Armed Forces of the Philippines
ASEAN	Association of Southeast Asian Nations
CCP	Chinese Communist Party
CCTV	China Central Television
CJCS	United States Chairman of the Joint Chiefs of Staff
DFA	Philippines Department of Foreign Affairs
DIME	Diplomacy, Information, Military, and Economic
DND	Philippines Department of National Defense
DoD	United States Department of Defense
DoS	United States Department of State
EDCA	Enhanced Defense Cooperation Agreement
EEZ	Exclusive Economic Zone
FONOP	Freedom of Navigation Operation
GRP	Government of the Republic of the Philippines
NSP	Philippines National Security Policy
NSS	United States National Security Strategy
OE	Operational Environment
PACOM	United States Pacific Command
PRC	People's Republic of China
SCS	South China Sea
UNCLOS	United Nations Convention on the Law of the Sea
USG	United States Government

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CHAPTER 1

INTRODUCTION

Chapter Introduction

Therefore the skillful leader subdues his enemy's troops without any fighting; he captures their cities without laying siege to them; he overthrows their kingdom without lengthy operations in the field.

—Sun Tzu, *The Art of War*

The United States appears to lack an effective strategy for protecting national interests that are threatened by China's Gray Zone activities in the Philippines. The term "Gray Zone" is used to describe the space that exists on the conflict continuum between peace and war which is intensely competed for by blending the use of all elements of national power.¹ A national goal for China is regional dominance in the South China Sea.² To achieve this goal China appears to be using a powerful and deliberate strategy that stays below the threshold that would elicit a hard military or economic response from the United States (US). China seeks to outlast American resolve in the region by slowly eroding regional support for US influence and objectives through coercion.³ This is

¹ Joseph Votel, Charles Cleveland, Charles Connett, and Will Irwin, "Unconventional Warfare in the Gray Zone," *Joint Force Quarterly* 80 (1st Quarter 2016): 101-102.

² Michael J. Mazarr, *Mastering the Gray Zone: Understanding a Changing Era of Conflict* (Carlisle Barracks, PA: US Army War College Press, December 2015), 6.

³ Christopher Yung and Patrick McNulty, *China's Tailored Coercion and Its Rivals' Actions and Responses: What the Numbers Tell us*, (Washington, DC: Center for a New American Security, January 2015), 13, accessed October, 15, 2017, <https://www.cnas.org/publications/reports/chinas-tailored-coercion-and-its-rivals-actions-and-responses-what-the-numbers-tell-us>.

significant to the military profession because this goal potentially threatens US interests, and can be seen in the case of the Philippines.

US national interests in the Philippines are significant. America and the Philippines have been formal allies since 1951 when the two countries signed a Mutual Defense Treaty. In 2016 the Enhanced Defense Cooperation Agreement (EDCA) passed a constitutional challenge in the Philippine Supreme Court that gives the US an improved ability to protect its ally through increased access for US rotational forces.⁴ The sovereignty of the Philippines, to include disputed islands, are essential to protect the free flow of trade and maintain regional stability within the parameters of international law.⁵ More than 220,000 US citizens are living in the Philippines⁶ making it the 4th largest overseas American population in the world behind Mexico, Canada, and Germany. The US requires an effective strategy to protect these national interests from all potential threats.

China's Gray Zone actions in the Philippines potentially threaten US interests as discussed in a recent Congressional Research Service report.⁷ First, despite The Hague

⁴ US Department of State (DoS), *Agreement between the Government of the United States of America and the Government of the Republic of the Philippines on Enhanced Defense Cooperation Agreement*, April 2016, accessed October 13, 2017, <https://www.state.gov/documents/organization/259256.pdf>.

⁵ US President, *National Security Strategy* (NSS), December 2017, 46, accessed January 15, 2018, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

⁶ US Department of State (DoS), "US Relations with the Philippines," December 15, 2016, accessed October 20, 2017, <https://www.state.gov/r/pa/ei/bgn/2794.htm>.

⁷ Ronald O'Rourke, R42784, *Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress*, Congressional Research Service

ruling in July 2016 in favor of the Philippines and against China's claims to the Spratly Islands, China continues to rapidly build military infrastructure on the islands.⁸ Second, these actions potentially threaten the US-led international order based on the rule of law and the principle that force and coercion are unacceptable.⁹ Third, these actions are also in disagreement with hundreds of years of international legal precedents on the freedom of the seas.¹⁰ Fourth, the US could potentially be asked by its ally in Manila to help defend the islands and protect the sovereignty of the Philippines.¹¹ Finally, if China is successful in achieving its goal of regional hegemony, and then seeks to upend the current order, this would strike a major blow to a longstanding US goal to prevent such a power from emerging.¹²

To obtain regional dominance in the South China Sea, China cleverly blends elements of national power through what the People's Liberation Army has called Unrestricted Warfare. This approach aims to synchronize the use of all available resources towards the achievement of limited objectives. The battlefield of unrestricted

Report for Congress (Washington, DC: Library of Congress, September 17, 2017), 4-7, accessed December 10, 2017, <https://fas.org/sgp/crs/row/R42784.pdf>.

⁸ Office of the United States Secretary of Defense (SecDef), *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, May, 15, 2017, 8, accessed October 17, 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

⁹ O'Rourke, *Maritime Territorial*, 4.

¹⁰ *Ibid.*, 5.

¹¹ *Ibid.*, 6.

¹² *Ibid.*, 7.

warfare encompasses land, air, sea, cyber, and space domains across the political, social, military, economic, information, and technological spaces. Rather than overtly attacking the US with military force, China seeks to avoid America's strengths and instead strike anywhere and everywhere where China has an advantage and can prevent a hard US response.¹³ China's approach does not recognize traditional dichotomy frameworks of peace and war and instead exercises power in ways that diverge from accepted norms of international law.¹⁴ The United States Government (USG) is challenged to effectively respond to this method, especially in times growing uncertainty regarding America's role in the world. China is operating effectively in the Gray Zone.

China's strategy to synchronize the elements of national power contrasts with the American strategy. From a diplomatic perspective, China seeks to engage with each country in the region bilaterally to take advantage of its size and influence over smaller countries. In the information domain, Chinese politicians and its media work together to control the narrative coming out of Beijing. From a military perspective, China is progressing towards its goals without clearly crossing any red lines that would generate a more forceful US response. China is the Philippines most important trade partner and represents 26.7% of all trade with Manila.¹⁵ China also takes advantage of its economic

¹³ Liang Qiao, Xiangsui Wang, and Al Santoli, *Unrestricted Warfare: China's Master Plan to Destroy America* (Panama City: Pan-American Publishing, 2002), 177.

¹⁴ Philip Kapusta, "The Gray Zone," *Special Warfare*, 28, (October-December 2015): 22, accessed October 5, 2017, <http://www.soc.mil/swcs/SWmag/archive/SW2804/October%202015%20Special%20Warfare.pdf>.

¹⁵ Alexander Simoes, "The Observatory of Economic Complexity—Philippines," accessed February 18, 2018, <https://atlas.media.mit.edu/en/profile/country/phl/>.

power to wield influence without attaching conditions for political or human rights reforms. When President Xi of China met with Philippine President Duterte in October of 2016, the two sides agreed to solve their dispute over the islands through dialogue while also agreeing to a loan and investment package for the Philippines for \$24 billion.¹⁶

The US strategy for employing the elements of national power highlights some significant differences. Historically, the US has focused diplomatic actions to strengthen more complex multi-lateral relations and institutions. In the information domain, the message coming from US politicians and the media are far more fragmented than those coming from the Chinese. The Pentagon's range of military options includes freedom of navigation and overflight operations which has done little to alter Beijing's behavior.¹⁷ Concerning the use of economic power, America represents around 12.1% of all trade with Manila, is the country's 2nd largest export market, and only China and Japan sell more goods and services in the Philippines than the US.¹⁸ Foreign aid from the US, however, has sometimes required reciprocity for reforms in democracy or human rights policy which has recently strained relations with Manila. In 2016 Philippine President Rodrigo Duterte and US President Barack Obama had a very public disagreement about alleged human rights violations from Duterte's war on drugs which has led to

¹⁶ SecDef, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, 9.

¹⁷ Mark Valenci, "US FONOPs in the South China Sea: Intent, Effectiveness, and Necessity," *Diplomat*, July 11, 2017, accessed 6 October, 2017, <https://thediplomat.com/2017/07/us-fonops-in-the-south-china-sea-intent-effectiveness-and-necessity/>.

¹⁸ Simoes, "The Observatory of Economic Complexity—Philippines."

approximately 9,000 extrajudicial killings in his first year in office.¹⁹ China's strategy for the use of national power has been focused on obtaining regional hegemony, while the US strategy appears to be somewhat unaligned with protecting its interests.

This study aims to determine if the current US strategy is adequate for protecting national interests from threats of China's actions in the Philippines. The US may not, however, have a strategy that is developed for protecting from this specific threat. One key assumption this study makes is that US officials take national interests into consideration when developing any policy and strategy for achieving the goals of that policy. The strategy of the USG in the Philippines should, therefore, account for all national interests and threats regardless of the source of threat. This study will evaluate the strategy (ends, ways, and means) used by each country across the elements of national power under the DIME construct (diplomatic, information, military, and economic), and assess the risk to those national interests that the current strategy is assuming.

Research Question

Is the current US strategy adequate to protect national interests from threats of China's actions in the Philippines? The purpose of this question is to determine if the USG should continue its current strategy or adjust its approach to better protect US national interests in the Philippines.

¹⁹ *The Economist*, "America's foreign policy: embrace thugs, dictators and strongmen," 3 June, 2017, accessed October 15, 2017, <https://www.economist.com/news/international/21722834-past-presidents-believed-american-power-should-be-used-force-good>.

Secondary Questions

Do China's actions in the Philippines threaten US national interests? The purpose of this question is to determine what specific People's Republic of China (PRC) actions threaten US national interests in the Philippines.

What are the US Government's goals in the Philippines? The purpose of this question is to determine where there are potential areas of cooperation or conflict vis-à-vis China and the Philippines.

What are the Chinese Government's goals in the Philippines? The purpose of this question is to determine where there are potential areas of cooperation or conflict vis-à-vis the US and the Philippines.

What are the Philippine Government's goals with regard to the US and China? The purpose of this question is to understand how the Philippines views its relationship with the two countries to determine areas of potential cooperation or conflict.

What risk is the US Government assuming under its current strategy to protect national interests from China's actions in the Philippines? The purpose of this question is to identify potential gaps in the current US strategy.

Assumptions

The USG considers national interests when developing any foreign policy strategy, including its strategy in the Philippines. The USG will not make any drastic policy changes towards the Philippines or China's activities in the Philippines in the near term, such as ending the mutual defense treaty, starting an active war, etc. Nuclear weapons and economic integration will continue to serve as a deterrence to both America and China's potential for direct violent conflict against each other. China will continue to

exert influence in the Philippines for the foreseeable future. It is possible to analyze China's foreign relations concerning the Philippines to determine inferred goals, ways of achieving those goals, and the resources used to those ends. It is possible to analyze China's actions to determine what approaches are more or less effective at achieving its goals.

Definition of Terms

Gray Zone. The Gray Zone refers to the area on the spectrum of conflict between the traditional dichotomy of peace and war. This space is fiercely competed for but remains short of armed conflict. Gray Zone activities blend the elements of national power and are aggressive, calculated, gradual, and coordinated to achieve national goals despite inherent disadvantages. These actions aim to exploit the gaps in the existing international system without crossing any clear lines that would trigger a hard response (military conflict, economic sanctions, and the like) by the international community.²⁰

Operational Environment (OE). According to Joint Publication 3-0, *Joint Operations*, the OE is the composite of the conditions, circumstances, and influences that affect employment of capabilities and bear on the decisions of the commander. It encompasses physical areas of the air, land, maritime, and space domains; the information environment (which includes cyberspace); the electromagnetic spectrum; and other factors. Included within these are the enemy, friendly, and neutral systems that are

²⁰ Mazarr, *Mastering the Gray Zone: Understanding a Changing Era of Conflict*, 1-5.

relevant to a specific joint operation.²¹ The nature and interaction of these systems will affect how the commander plans, organizes for and conducts joint operations. In short, the OE is anything that could affect, or potentially affect military operations.

The terms “national interests” and “strategic interests” are used interchangeably. The term “strategic level” involves national-level organizations that are responsible for setting forth national objectives, goals, and values that subordinate organizations will use to apply concepts and resources to achieve those goals. The term “operational level” refers to regional organizations such as US Pacific Command (PACOM) and the Department of State Bureau of East Asian Affairs that primarily deal with developing concepts for using the resources available to achieve national-level objectives. The terms “diplomatic actions,” “information actions,” “military actions,” and “economic actions” are used to describe any activity that a given country takes that this study classifies as use of one of the elements of national power. When discussing soft and hard power, the former refers to either diplomacy or information (influence), and the latter refers to military or economic coercion. Furthermore, use of economic resources as a form of foreign aid are considered soft power, and economic sanctions is regarded as hard power. This study uses the concept of risk analysis as presented in Chairman of the Joint Chiefs of Staff (CJCS) Manual 3105.01, *Joint Risk Analysis*.²²

²¹ Office of the United States Chairman of the Joint Chiefs of Staff (CJCS), Joint Publication (JP) 3-0, *Joint Operations* (Washington, DC: Government Publishing Office, January 17, 2017), IV-1—IV-4.

²² Office of the United States Chairman of the Joint Chiefs of Staff (CJCS), Chairman of the Joint Chiefs of Staff Manual (CJCSM) 3105.01, *Joint Risk Analysis* (Washington, DC: Government Publishing Office, October 14, 2016), B-1, accessed

Shorthand terms that will be used in place of lengthier phrases throughout the document: the US Secretary of Defense (SECDEF); the US Department of Defense (DoD); the US Department of State (DoS); the US Secretary of State (SECSTATE); US Pacific Command (PACOM); United States Government (USG) will appear as USG, Washington, America, or The United States; Government of the Republic of the Philippines (GRP) will appear as GRP, Manila, or the Philippines; The Peoples Republic of China (PRC) will appear in this document as PRC, Beijing, or China. The elements of national power or DIME will be used interchangeably and written as such or abbreviated. DIME includes diplomacy, information, military, and economic (DIME).

Limitations

Availability and access to information and data are critical to conducting this study. Many USG documents and speeches are available in the open source domain on official government websites. China's white papers are official government policy documents and are available online. PRC state media documents and publications, as well as books that are translated into English, are available at the Combined Arms Research Library at Fort Leavenworth, Kansas. Many GRP documents, as well as journal articles and books analyzing the sources mentioned above, are also available online and at the Combined Arms Research Library. This study will not, however, include documents that are not translated into English. Furthermore, the topic covered will continue to develop

March 20, 2018, <http://www.jcs.mil/Portals/36/Documents/Library/Manuals/CJCSM%203105.01%C2%A0.pdf?ver=2017-02-15-105309-907>.

during the period of this study. All attempts were made to include relevant information that occurred through April 2018.

Scope and Delimitations

The study examines the policy implications of the current US strategy for protecting strategic interests from the threat of China's actions in the Philippines. There are several limiting factors to take into consideration. First, the Chinese government may not have published documents explaining its goals in the Philippines or how it evaluates its efforts there, and analysis must be conducted to infer goals. Second, measuring the effectiveness of any Chinese Gray Zone strategy needs to be analyzed over years and decades, not months. Third, any change in policy by the USG towards Chinese activity in the Philippines since President Trump's inauguration may not show an observable difference. And fourth, the complexity of the OE does not lend to simple conclusions based on available data.

The following topics will not be discussed or assessed, however similar they may be, due to time: 1) Russia's Gray Zone actions in the Pacific region, 2) China trilateral or multilateral agreements including the Philippines, 3) Chinese language documents, 4) the East China Sea, and 5) documents classified by the USG. This study assumes that nuclear weapons provides deterrence to unlimited war on both sides of the US-China relationship, and therefore deliberately ignores further analysis on the topic.

Significance of Study

The purpose of this study is to evaluate the US strategy for protecting strategic interests from China's Gray Zone actions in the Philippines. The results could potentially

be used by the Chief of Mission or Joint Task Force Commander to determine options for improving the US strategy in the Philippines. There are many differing opinions and analyses about the role of China and the United States in the Philippines. This study aims to improve US strategy for dealing with a rising China while still protecting enduring US national interests in the Philippines.

Chapter Summary and Conclusion

This introductory chapter discussed the background and problem the US faces with China's Gray Zone actions in the Philippines. China is following an unconventional approach in the Philippines that aims to gradually chip away at US credibility and influence in the region. The national interests of the US in the Philippines are significant due to the number of US citizens living there, the bilateral mutual defense treaty, and other factors. China's Gray Zone actions to establish de facto control of the South China Sea, its lack of compliance to the international courts, and other actions potentially threaten American national interests.

This study takes into consideration the time available, the availability of information and data, the scope, and some delimiting factors that will allow for proper focus and relevance to the purpose. This chapter also introduced the research question and logical secondary questions that will be key. In the next chapter, the available literature will be discussed, along with the process this study uses to organize and analyze relevant information with the goal of increasing the body of knowledge on the topic.

CHAPTER 2

LITERATURE REVIEW

Chapter Introduction

This chapter has four distinct sections. First, a review of official USG national and operational-level documents and policy. Second, a review of official PRC national and operational-level documents and policy. Third, a review of official GRP national and operational-level documents and policy. And fourth, written analysis of the goals, methods, and resources used by each of the three countries. USG, PRC, and GRP documents are available in English in open source on official government websites and databases, albeit PRC and GRP documents are less available. Translated official documents from the PRC are more difficult to obtain, but many are still available from a variety of sources online. Since 2013 there has been much written in scholarly and professional journals, academia, and other periodicals about the maritime disputes in the South China Sea covering the diplomatic and military perspective. Less has been written analyzing the information and economic outlook as it applies to the three countries, so more analysis is required.

Section One: USG Official Documents

USG national-level strategic documents include the National Security Strategy (NSS) published by US President, the DoD Quadrennial Defense Review, the DoD National Defense Strategy, US Joint Chiefs of Staff National Military Strategy, the DoS Quadrennial Diplomacy and Development Review (QDDR), official reports to Congress from the Congressional Research Service, and official reports to Congress from the US-

China Economics and Security Review Commission. Operational-level documents and policies are more nuanced and come from a variety of sources to include: DoD Posture Statements; official testimony to Congress by the SECDEF, SECSTATE, PACOM Commander, or other relevant official; United States Agency for International Development (USAID) Country Development Cooperation Strategy; and press availability transcripts from any other the aforementioned officials. Written analyses on strategic and operational-level concerning the three countries is plentiful when discussing diplomatic and military perspectives, less so covering information and economic instruments of national power.

The National Security Strategy of the United States

The Obama Administration published the NSS in 2010 and again 2015. The 2010 document welcomes engagement with China and only mentions the country negatively once when referring to monitoring military modernization.²³ The 2015 document strikes a different tone concerning China. Although there is still mention about the opportunity for cooperation and engagement on other topics, the language referring to the territorial disputes in the South China Sea is strong and seeks to resolve all issues through international norms and multilateral agreements with all the players in the region.²⁴ The 2015 document is the first time the “rebalance” to Asia is mentioned, and the Philippines is featured more frequently. Specific mention of the US obligation to “uphold our treaty

²³ US President, *National Security Strategy* (NSS), 2010, 42-43, accessed October 10, 2017, <http://nssarchive.us/NSSR/2010.pdf>.

²⁴ US President, *National Security Strategy* (NSS), 2015, 13, accessed October 10, 2017, <http://nssarchive.us/wp-content/uploads/2015/02/2015.pdf>.

obligations” is made while discussing maritime disputes in the region, which sends a clear message to China about American priorities.²⁵ The first NSS from the Trump Administration in December of 2017 paints China as a competitor and adversary that aims erode American influence while advancing its own competitive advantages against the US. It states “For decades, US policy was rooted in the belief that support for China’s rise and for its integration into the post-war international order would liberalize China. Contrary to our hopes, China expanded its power at the expense of the sovereignty of others.”²⁶

Various National-Level Documents from the Pentagon

The 2012 Defense Strategic Guidance seeks bilateral engagement with China on security issues in the region, but states the US intends to invest in military capabilities to protect access, and uphold treaty obligations and international law.²⁷ Both the 2012 Defense Strategic Guidance and the 2014 Quadrennial Defense Review highlight China’s pursuit of asymmetric options for anti-access and area-denial (A2/AD).²⁸ The Quadrennial Defense Review of 2014 highlights the Philippines as part of the “centerpiece” of the rebalance strategy due to the bilateral defense treaty, but surprisingly

²⁵ US President, NSS, 2015, 24.

²⁶ US President, NSS, 2017, 25.

²⁷ Office of the United States Secretary of Defense (SecDef), *Defense Strategic Guidance 2012*, January 5, 2012, 2, accessed October 11, 2017, http://archive.defense.gov/news/Defense_Strategic_Guidance.pdf.

²⁸ Office of the United States Secretary of Defense (SecDef), *Quadrennial Defense Review 2014* (QDR), March 4, 2014, 6, accessed October 10, 2017, http://archive.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf.

makes little mention to the South China Sea (SCS).²⁹ Although the 2018 National Defense Strategy is classified, the unclassified summary prioritizes long-term strategic competition with China as the principal priority through seamless integration with all the elements of national power.³⁰

The National Military Strategy of 2011 and 2015, published by the Chairman of the Joint Chiefs of Staff, both express concern with China's aggressiveness in the SCS. The 2011 document states the US Joint Force will "demonstrate the will and commit the resources needed to oppose any nation's actions that jeopardize access to and use of the global commons and cyberspace, or that threaten the security of our allies."³¹ Both National Military Strategy documents highlight the importance of strengthening the alliance with the Philippines through security cooperation.³² The most-recent National Military Strategy is classified and not included.

²⁹ SecDef, QDR, 38.

³⁰ Office of the United States Secretary of Defense (SecDef), *Summary of the National Military Strategy: Sharpening the American Military's Competitive Edge* (NMS), 2018, 4, accessed March 3, 2018, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

³¹ Office of the United States Chairman of the Joint Chiefs of Staff (CJCS), *The National Military Strategy of the United States of America 2011: Redefining America's Leadership* (NMS), February 8, 2011, 14, accessed October 20, 2017, https://www.army.mil/e2/rv5_downloads/info/references/NMS_Feb2011.pdf.

³² Office of the United States Chairman of the Joint Chiefs of Staff (CJCS), *The National Military Strategy of the United States of America 2015: The United States Military's Contribution to National Security* (NMS), 9, accessed October 20, 2017, http://www.jcs.mil/Portals/36/Documents/Publications/2015_National_Military_Strategy.pdf; CJCS, NMS, 2011, 14.

Department of State Documents

The US Department of State (DoS) published the QDDR in both 2010 and 2015. The 2011 document never makes mention of the maritime disputes in the SCS, and only refers to the Philippines concerning civil-military cooperation with the DoD and USAID.³³ The 2015 document does mention the maritime disputes, but the overall tone of both documents concerning China is optimistic and primarily focuses on opportunities for engagement and cooperation.³⁴ The US Embassy in Manila, Philippines publishes an Integrated Country Strategy each year which explains the priorities and goals of the USG, but is an internal document. Although the document has an overall classification level of “sensitive but unclassified,” many parts of the document have a classification level of “unclassified” and are considered in the analysis chapter.³⁵

Reports to Congress

Since 2013, the Congressional Research Service has produced at least six reports on China of relevance, and one on the Philippines. All six reports that focused on China discuss how the relationship applies to the Philippines. The 2013 report highlighted that Beijing’s aggressiveness in the SCS directly challenged US national interest to protect

³³ Office of the United States Secretary of State (SecState), *Quadrennial Diplomacy and Development Review* (QDDR), 2010, 142, accessed October 20, 2017, <https://www.state.gov/documents/organization/153108.pdf>.

³⁴ Office of the United States Secretary of State (SecState), *Quadrennial Diplomacy and Development Review* (QDDR), 2015, accessed October 20, 2017, <https://www.state.gov/documents/organization/267396.pdf>.

³⁵ US Embassy-Manila, “Integrated Country Strategy,” Manila, Philippines, January 10, 2017.

allies from external threats.³⁶ The 2015 report referenced China state-run media discussions about modeling future disputes along the lines of the Scarborough Shoal example due to its perceived effectiveness.³⁷ The September 2017 report on maritime territorial and exclusive economic zone (EEZ) disputes involving China provides a comprehensive look at Beijing's actions and an assessment of the adequacy of Washington's strategy for responding.³⁸ Another September 2017 report on China's economic rise details the history, composition, partners, and challenges of the Chinese economy, and what policy options the US has for responding.³⁹

The National Defense Authorization Act of 2001 created the US-China Economic and Security Review Commission which has since published an annual comprehensive report on matters affecting US-China relations. The 2017 report discusses many topics involving the Philippines to include maritime disputes, legal battles, rebalance efforts, coercion, trade relations, diplomatic actions, cyber-attacks, espionage, and uncertainty of

³⁶ Susan Lawrence, R41108, *US-China Relations: An Overview of Policy Issues*, Congressional Research Service Report for Congress (Washington, DC: Library of Congress, August 1, 2013), 9, accessed October 18, 2017, <https://fas.org/sgp/crs/row/R41108.pdf>.

³⁷ Ian Reinhart and Bart Elias, R43894, *China's Air Defense Identification Zone (ADIZ)*, Congressional Research Service Report for Congress (Washington, DC: Library of Congress, January 30, 2015), 26, accessed October 15, 2017, <https://fas.org/sgp/crs/row/R43894.pdf>.

³⁸ O'Rourke, *Mastering the Gray Zone: Understanding a Changing Era of Conflict*, 38-57.

³⁹ Wayne M. Morrison, RL33534, *China's Economic Rise: History, Trends, Challenges, and Implications for the United States*, Congressional Research Service Report for Congress (Washington, DC: Library of Congress, September 15, 2017), accessed October 17, 2017, <https://fas.org/sgp/crs/row/RL33534.pdf>.

relations with President Rodrigo Duterte in office. The most recent report includes discussion about the resumption of US freedom of navigation operations (FONOP) as part of a comprehensive strategy under the Trump Administration after seven US Senators wrote to the President urging him to do so.⁴⁰ Preceding annual reports broadly cover the same topics, but there is a trend of the Philippines being featured more prominently each coming year. Of particular interest in the more-recent reports is the idea that China's aggressive actions of land reclamation in the East and South China Seas are meant to test the US will to uphold its bilateral mutual defense treaties with the Philippines and Japan, respectively.⁴¹ Several documents of written testimony to the commission are also available online. Reports from this commission also provide US lawmakers with comprehensive insights into the developing situation with China and the Philippines.

The DoD has also made an annual report to Congress since 2000 on China's security developments. The most recent DoD report from May 2017 focuses on maritime disputes concerning the Philippines. One passage highlights China's overall approach in the region:

China continues to exercise low-intensity coercion to advance its claims in the East and South China Seas. During periods of tension, official statements and state media seek to portray China as reactive. China uses an opportunistically timed progression of incremental but intensifying steps to attempt to increase effective control over disputed areas and avoid escalation to military conflict. China also uses economic incentives and punitive trade policies to deter

⁴⁰ US-China Economic and Security Review Commission, *2017 Report to Congress of the US-China Economic and Security Review Commission*, November, 2017, accessed January 20, 2018, https://www.uscc.gov/sites/default/files/annual_reports/2017_Annual_Report_to_Congress.pdf.

⁴¹ Ibid.

opposition to China's actions in the region. In 2016, China used CCG [China Coast Guard], maritime militia, and fishing ships to surge its naval presence at various disputed South China Sea features following July's [2016] arbitration ruling. At the same time, it extended economic cooperation in exchange for shelving disputes with the Philippines. Conversely, China restricted Philippine fruit imports during the height of Scarborough Reef tensions in 2012.⁴²

Similar language to this passage has appeared in every report since in 2015. Years before 2015 emphasized a lack of transparency of China's military capabilities development among other things.

Various Operational-Level Documents

The USAID County Development and Cooperation Strategy for the Philippines only makes three mentions of China, one of which highlights "substantial levels of concessional lending for infrastructure development."⁴³ USAID programming in the Philippines is designed to reduce the drivers of instability that separatist movements thrive on. Most programs aim to improve governance, health services, economic development, and environmental resilience.

Each year the USPACOM commander makes testimony to both houses of Congress during what is popularly known as the "Posture Statement." Admiral Harry Harris made the following statement in April 2017:

Rising from the ashes of World War II, the rules-based international order, or what I sometimes call, "the Global Operating System," has kept the Indo-Asia-Pacific largely peaceful and created the stability necessary for economic prosperity in the US and countries throughout the region. Ironically, China is the

⁴² SecDef, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, 12.

⁴³ United States Agency for International Development (USAID), Office of the Administrator, *USAID-Philippines Country Development and Cooperation Strategy*, April, 2013, accessed October 13, 2017, <https://www.usaid.gov/philippines/cdcs>.

country that has benefitted the most. The collective respect for, and adherence to, international rules and standards have produced the longest era of peace and prosperity in modern times. These conditions are not happenstance. In my opinion, they have been made possible by a security order underwritten by seven decades of robust and persistent US military presence and credible combat power...China's military modernization is focused on defeating the US in Asia by countering US asymmetric advantages. China's military modernization cannot be understated, especially when we consider the Communist regime's lack of transparency and apparent strategy...During my Congressional testimony last year, I reported my belief that China was clearly militarizing the South China Sea. China's activities since then have only reinforced this belief. We should cease to be cautious about the language we use to describe these activities.⁴⁴

Harris also highlights his optimism in dealing with the new Duterte administration in the Philippines. The EDCA is moving forward, and the robust mil-to-mil partnership between the two countries will be executed as planned. Harris made similar remarks in 2016, but his tone was more optimistic then as compared to 2017. Before that was Admiral Samuel Locklear as the PACOM Commander, and his tone towards China was slightly more cautious with each passing year from 2013 to 2015.⁴⁵

Section Two: PRC Official Documents

Translated official documents on China national and operational-level are available online from the Information Office of the State Council of the People's Republic of China at the website <http://www.china.org.cn/e-white/>. Beijing periodically

⁴⁴ US Congress, Senate, *Statement of Admiral Harry B. Harris Jr., US Navy Commander, US Pacific Command before the Senate Armed Forces Committee on US Pacific Command Posture*, April 27, 2017, accessed October 25, 2017, https://www.armed-services.senate.gov/imo/media/doc/Harris_04-27-17.pdf.

⁴⁵ US Congress, Senate, *Statement of Admiral Samuel J. Locklear, US Navy Commander, US Pacific Command before the Senate Armed Forces Committee on US Pacific Command Posture*, April 26, 2015, accessed October 25, 2017, https://www.armed-services.senate.gov/imo/media/doc/Locklear_04-16-15.pdf.

publishes what is known as a “White Paper” that explains official government policy on a specific topic. These documents are the closest thing to an official overt Beijing policy that is available, but many observers find discrepancies with White Paper policy and actual actions taken by China. For this reason, it is essential to understand the role that Chinese state-run media plays in crafting and publishing information actions to explain official policy and gain public support at home and abroad. The fact that China is one of the least free media environments in the world is well known.⁴⁶ China state-run media publications, television broadcasts, and radio interviews are used to understand the official policy of Beijing better. The three primary resources of this type of information are China Central Television (CCTV), Xinhua, and the country’s largest newspaper, China Daily. Many relevant topics are available from these sources in English.

Chinese Government White Papers

The Chinese White Paper titled “China’s Foreign Aid” outlines the national policy for the use of foreign aid, the financial resources to be used, and the administration of such aid. According to the White Paper, China’s foreign aid policy is based on Eight Principals outlined in a 1964 policy which includes equality, mutual benefit, and no strings attached. The basic features of today’s policy are 1) focus on building the recipient country’s capacity for self-development, 2) imposing no political conditions that interfere with the recipient country’s right to decide what path to take, 3) adhering to equality, mutual benefit, and common development, 4) and continued effort to reform

⁴⁶ Freedom House, “Freedom in the World 2017: China Profile,” accessed November 5, 2017, <https://freedomhouse.org/report/freedom-world/2017/china>.

and innovate the implementation of foreign assistance. The financial resources used include grants to poor countries to build critical infrastructure, no-interest loans to economically stable developing countries to build public facilities, and low-interest concessional loans for building large-scale infrastructure projects.⁴⁷

The White Paper titled “China’s Military Strategy (2015)” covers its national security situation, the missions of its armed forces, guidance for an active defense, development of its armed forces, conflict preparation, and security cooperation. The policy is built on the idea of China’s peaceful rise and aims to “unswervingly follow the path of peaceful development, pursue an independent foreign policy of peace and a national defense policy that is defensive in nature, oppose hegemonism and power politics in all forms, and will never seek hegemony or expansion.”⁴⁸ The document raises concerns with US rebalancing efforts and its increased military presence in the Asia-Pacific region. The paper also highlights China’s maritime rights and interests concerning the illegal occupation on some islands, and the continued surveillance conducted against China in the SCS.⁴⁹

⁴⁷ The State Council, the People’s Republic of China (PRC), “China’s Foreign Aid (2011)” April, 2011, accessed October 15, 2017, http://english.gov.cn/archive/white_paper/2014/09/09/content_281474986284620.htm.

⁴⁸ The State Council, the People’s Republic of China (PRC), “China’s Military Strategy (2015), accessed October 15, 2017, http://english.gov.cn/archive/white_paper/2015/05/27/content_281475115610833.htm.

⁴⁹ Ibid.

PRC Position Papers

Since 2013, China has released several position papers and statements on the SCS issue as it relates to the Philippines. In a position paper dated December 7th, 2014, China explained that it would not participate in the arbitration case on the maritime dispute initiated by the Philippines. China claims that it has indisputable sovereignty over the disputed islands, and the arbitral tribunal does not have jurisdiction over the matter. Furthermore, China argues that the Philippines broke its agreement with China to resolve the issue through bilateral negotiation, and debarred from seeking arbitration through a third party.⁵⁰

In a statement from the Chinese Minister of Foreign Affairs on 12 July 2016 released shortly after the arbitral tribunal's award to the Philippines, the Chinese government declared the ruling to be null and void for the reasons listed above.⁵¹ A separate position paper also published on 12 July 2016 focused specifically on China's historical claims to the SCS and explained in broad terms the rights that China claims over the maritime features and waters.⁵² In another position paper released the following

⁵⁰ Ministry of Foreign Affairs, People's Republic of China (PRC), "Position Paper of the Government of the People's Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines," *The South China Sea Issue*, December 7, 2014, accessed October 15, 2017, http://www.fmprc.gov.cn/nanhai/eng/snhwtlcwj_1/t1368898.htm.

⁵¹ Ministry of Foreign Affairs, People's Republic of China (PRC), "Statement of the Ministry of Foreign Affairs of the People's Republic of China on the Award of 12 July 2016 of the Arbitral Tribunal in the South China Sea Arbitration Established at the Request of the Republic of the Philippines," *The South China Sea Issue*, July 12, 2016, accessed October 15, 2017, http://www.fmprc.gov.cn/nanhai/eng/snhwtlcwj_1/t1379492.htm.

⁵² Ministry of Foreign Affairs, People's Republic of China (PRC), "Statement of the Government of the People's Republic of China on China's Territorial Sovereignty

day, the Chinese government reiterated its historical claims to the disputed islands and placed the blame on the Philippines for escalating the situation in bad faith. This paper also outlines China’s official supportive position on freedom of navigation in the region for all countries based on international law, and that the “freedom of navigation and overflight enjoyed by all states in the South China Sea under international law has never been a problem.”⁵³

Following the visit by Philippine President Rodrigo Duterte to Beijing in October of 2016, the two government released a joint statement outlining the discussions and included a list of documents signed by both parties. Among the topics discussed are trade, military cooperation, customs procedures, tourism, and the code of conduct in the SCS, among other issues. The two countries signed a total of 13 memorandums of understanding or agreement.⁵⁴ The two countries released a joint press release in May 2017 following the first meeting of the bilateral consultation mechanism. China and the Philippines agreed to conduct this meeting once every six months to build trust and resolve disputes. They also decided to address “territorial and jurisdictional disputes by

and Maritime Rights and Interests in the South China Sea,” July 12 2016, accessed October 15, 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1379493.shtml.

⁵³ Ministry of Foreign Affairs, People’s Republic of China (PRC), “China Adheres to the Position of Settling Through Negotiation the Relevant Disputes Between China and the Philippines in the South China Sea,” The South China Sea Issue, July 13, 2016, accessed October 15, 2017, http://www.fmprc.gov.cn/nanhai/eng/snhwtlcwj_1/t1380615.htm.

⁵⁴ Ministry of Foreign Affairs, People’s Republic of China (PRC), “Joint Statement of the People’s Republic of China and the Republic of the Philippines,” The South China Sea Issue, October 21, 2016, accessed October 15, 2017, http://www.fmprc.gov.cn/nanhai/eng/zcfg_1/t1407682.htm.

peaceful means...through friendly consultations and negotiations by sovereign states directly concerned” in accordance with the *United Nations Convention on the Law of the Sea* (UNCLOS).⁵⁵

China State-Run Media

China state-run media is available online from three primary sources. China Central Television (CCTV), Xinhua, and The People’s Daily are all available online in English. Although CCTV is a television station, and The People’s Daily is first a print newspaper, this study only includes the online format. There are many stories available that are relevant.

Section Three: GRP Official Documents

Of the three countries involved, the Philippines is the most difficult to find official strategic and operational level documents below the National Security Policy (NSP) signed by the president. In addition to the NSP signed by President Duterte in April 2017, the Philippine Department of National Defense (DND) released its Defense Transformation White Paper in July 2012 before Duterte’s election. Other sources of information from the national level include press releases from both the DND and the Department of Foreign Affairs (DFA).

⁵⁵ Ministry of Foreign Affairs, People’s Republic of China (PRC), “Joint Press Release of the First Meeting of the China-Philippines Bilateral Consultation Mechanism on the South China Sea,” *The South China Sea Issue*, May 19, 2017, accessed October 15, 2017, http://www.fmprc.gov.cn/nanhai/eng/wjbxw_1/t1463538.htm.

The Philippine National Security Policy

The Philippine NSP dated April 2017 outlines eight national security goals and strategic goals. The goal of “Safeguard Territorial Integrity and Sovereignty” is most important and appears to be focused almost exclusively on maritime disputes in the region. Among the strategic objectives are to pursue international respect for the award from the arbitral tribunal, pursue international support for a rules-based regime in the SCS, and pursue maritime boundary delimitation as it pertains to the UNCLOS, among others.⁵⁶ The US is described as a “stabilizing force” in the region, but the document remains undecided concerning the Trump administration’s approach to Asia. China’s actions in the West Philippine Sea (South China Sea), however, are described as raising policy concerns among the countries of the Association of South East Asian Nations (ASEAN). This first NSP from the Duterte administration is almost identical to the previous NSP under the Aquino administration in 2011.⁵⁷

Philippine Department of National Defense Documents

The Philippine Department of National Defense (DND) has not yet published a new development plan for the Armed Forces of the Philippines (AFP) since the publishing of the NSP 2017-2022. The most recent Defense Transformation White Paper (2012) highlights one strategic option that the plan aims to support that is particularly

⁵⁶ Malacanan Palace, *National Security Policy for Change and Well-Being of the Filipino People (2017-2022)*, April, 2017, 21, accessed November 10, 2017, <http://www.nsc.gov.ph/attachments/article/NSP/NSP-2017-2022.pdf>.

⁵⁷ Malacanan Palace, *National Security Policy: Securing the Gains of Democracy (2011-2016)*, 2011, 11-12, accessed November 10, 2017, <http://www.nsc.gov.ph/attachments/article/NSP/NSP-2011-2016.pdf>.

relevant. The goal of “Securing the National Territory and Protecting Strategic Maritime Interests” outlines the strategy for developing capabilities to defend and monitor, as well as to build infrastructure on, the disputed islands.⁵⁸ This goal also mentions “Interoperability with allied forces will require the strengthening of international defense and security engagements while promoting cooperation in the disputed areas.”⁵⁹ The white paper also mentions the need for substantial interoperability with US forces to conduct the defense of the Philippines under the mutual defense treaty.⁶⁰

Section Four: Written Analysis

Written analysis on the official policy of the three countries is available and falls into two broad categories: 1) explanation and justification of official policy, and 2) critique of actions that do not match stated policy.

The Rand Corporation has published some reports and articles on various perspectives of Chinese goals and strategies. Although written in the year 2000, one paper called *Interpreting China’s Grand Strategy: Past, Present, and Future* by Michael Swaine and Ashley Tellis is particularly relevant for its perspective on historical context

⁵⁸ Department of National Defense of the Republic of the Philippines, “Defense Transformation White Paper,” July 23, 2012, 10-12, accessed November 10, 2017, http://www.dnd.gov.ph/pdf/PDT%20White%20Paper_Final_23Jul12.pdf.

⁵⁹ *Ibid.*, 12.

⁶⁰ *Ibid.*, 20.

and comprehensive approach. The sections on the security situation in China's view and how great powers have behaved in comparable circumstances are most important.⁶¹

A great many journal articles are available online from sources such as *Foreign Affairs*, *Journal of Current Southeast Asian Affairs*, *Special Warfare*, *Joint Force Quarterly*, and others. These articles provide analysis that helps to fill gaps in government documents and explain much of the nuances in evaluating government strategy.

Periodicals used include *Foreign Policy*, *The Economist*, *The New York Times*, *The Wall Street Journal*, *Reuters*, *The British Broadcasting Company*, *The Diplomat*, *The Manila Times*, *The American Interest*, *Small Wars Journal*, and others. The ongoing nature of this study requires some analysis of current events to determine how a recent action fits into the bigger picture of the study. These types of articles provide valuable insight into how events develop over time and how governments try to control the narrative through information actions.

Think tanks and policy analysis centers used include The Center for International Maritime Security, The Center for Strategic and International Studies, The Brookings Institute, The Council on Foreign Relations, and The Center for a New American Security, among others. Articles from these sources can also provide valuable insights into policy formulation and evaluation, as well as determining potential solutions for future strategies.

⁶¹ Michael Swaine and Ashley Tellis, "Interpreting China's Grand Strategy: Past, Present, and Future" (Santa Monica, CA: Rand Corporation, 2000), accessed October 14, 2017, https://www.rand.org/pubs/monograph_reports/MR1121.html.

Chapter Summary and Conclusion

The four sections of this chapter included a review of official USG documents, a review of official Chinese government documents, a review of official Philippine government documents, and a review of other sources of information available.

Documents from all three governments are available in English in open source on official government websites and databases, albeit GRP and PRC documents are less available.

Translated official documents from the PRC are more difficult to obtain but are still available from a variety of sources online. Since 2013 there has been much written in scholarly and professional journals, academia, and other periodicals about the maritime disputes in the South China Sea covering the diplomatic and military perspective. Less has been written analyzing the information and economic outlook as it applies to the three countries so more analysis will be required. The next chapter will cover the methodology this study uses to evaluate the strategies of the three countries and to determine the level of risk to strategic interests the US strategy is assuming.

CHAPTER 3

METHODOLOGY

Chapter Introduction

The purpose of this chapter is to explain the process this study uses to evaluate the US strategy for protecting national interests from the threat of China actions in the Philippines. This chapter will briefly describe the definition of strategy used in this study, explain how US national interests in the Philippines are determined, explain the process for evaluating strategy, explain the risk assessment process, and explain the strengths and limitations of this method.

Definition of Strategy

This study uses the concept of strategy as discussed in Joint Publication (JP) 3-0, *Joint Operations*, which defines strategy as “an idea or set of ideas of the ways to employ the instruments of national power in a synchronized and integrated fashion to achieve national, multinational, and theater objectives.”⁶² Although JP 3-0 explains the idea of strategy in very simplistic terms, others have argued the concept is much more complicated in practice. In *Pure Strategy* by Everett Dolman, he explains the goal of strategy is not a definitive process that seeks to provide concrete answers about what actions to take. Instead, the goal of strategy is to manipulate the framework for making decisions to provide continuation, not a culmination.⁶³ The US will not reach some

⁶² CJCS, JP 3-0, I-13.

⁶³ Everett Dolman, *Pure Strategy: Power and Principle in the Space and Information Age* (London: Taylor and Francis, October 15, 2004), 1-4.

desired goal in the Philippines that effectively ends the game. But a goal still exists, and the strategy used to achieve this goal should focus on understanding the environment for making decisions to either maintain momentum and initiative relative to other actors, or how to get back relative momentum and initiative. This study attempts to blend the more straightforward definition in JP 3-0 with the more complex one from Dolman by using a method of analysis that is structured to cover both the essential elements and complexities of strategy.

Determining US National Interests

There is no existing document that clearly explains the official national interests of the US in the Philippines, and therefore, national interests are determined through inference. The National Security Strategy of the US under the Obama administration in 2010 and 2015 outlined four enduring national security interests:

1. The security of the United States, its citizens, and US allies and partners;
2. A strong, innovative, and growing US economy in an open international economic system that promotes opportunity and prosperity;
3. Respect for universal values at home and around the world; and
4. An international order advanced by US leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges.⁶⁴

The 2015 document also added a list of prioritized strategic risks:

1. Catastrophic attack on the US homeland or critical infrastructure;
2. Threats or attacks against US citizens abroad and our allies;

⁶⁴ US President, NSS, 2010, 7.

3. Global economic crisis or widespread economic slowdown;
4. Proliferation and/or use of weapons of mass destruction;
5. Severe global infectious disease outbreaks;
6. Climate change;
7. Major energy market disruptions; and
8. Significant security consequences associated with weak or failing states
(including mass atrocities, regional spillover, and transnational organized crime).⁶⁵

Both documents during the Obama administration use a narrative format to explain how America will perform actions to protect those interests from the risk associated based on the contextual threat.

The four national interests in the 2017 National Security Strategy from the Trump administration are “protect the American people, the homeland, and the American way of life . . . promote American prosperity . . . preserve peace through strength . . . and advance American influence.”⁶⁶ The document refers to these interests as “pillars” and uses a narrative format as well to describe the threats, challenges, and priorities actions for political (diplomatic), economic, and military elements of national power in the Asia-Pacific region.⁶⁷ “Climate change” has been removed as a risk in the most-recent NSS under the Trump administration, as well as the removal of the Trans-Pacific Partnership, which was referred to as a “central” element of the strategy in Asia in the 2015

⁶⁵ US President, NSS, 2015, 2.

⁶⁶ US President, NSS, 2017, 4.

⁶⁷ Ibid., 45-46.

document.⁶⁸ The rest of the 2017 NSS seems to be consistent with the 2010 and 2015 documents concerning US national interests and the threats. The emphasis has shifted slightly, but there is no way to determine what interests or threat is more important than any other.

The Joint Risk Analysis Methodology (JRAM) in *Joint Risk Analysis* (described below) has not yet been updated to reflect the changes in the 2017 NSS. The list of enduring national interests and prioritized threats found in the 2015 NSS are used in *Joint Risk Analysis* to give examples about the strength of interest, potential consequential events, and the probability of those events occurring to assess the risk to national interests. This study will use the enduring national interests in the 2015 NSS and the associated risks, less the climate change threat, along with the narrative in the Asia-Pacific region of the 2017 NSS to infer US national interests in the Philippines.

Strategy Evaluation

The method this study uses for evaluating strategy has four steps. The first step will look at the goals of each country in the context of the topic covered. This step will determine the goals and measures, if any, established by each of the three countries by looking at stated or inferred goals (ends) and stated measures or benchmarks for evaluating the goals. The second step will identify the methods (ways), and resources (means) each of the three countries has used which are intended to support the goals. The third step will assess the success of those actions against the stated goals. Steps two and

⁶⁸ US President, NSS, 2015, 24.

three will look at each country through the lens of the elements of national power using the DIME construct.

For example, after determining the goals of each of the three countries, this method will look at US diplomatic actions, information actions, military actions, and economic actions, and then assess each category against the stated goals. An example of diplomatic actions on the US side is signing the Enhanced Defense Cooperation Agreement (EDCA) with the Philippines which provides the DoD with an enhanced rotational presence of US forces, among other things.⁶⁹ An example of an information action is various US officials explaining the purpose of EDCA through public statements and media appearances. An example of a military action occurs when DoD forces use the four airfields and land bases to increase the presence of US rotational forces in the Philippines under the EDCA framework. An example of an economic action is the US Export-Import Bank signing a memorandum of understanding to facilitate financing with the GRP.⁷⁰ For each of the actions mentioned above, this method will consider both the concept (ways) and the resources (means) used.

The final step will appraise the strategic risk by evaluating what national interest is threatened, what is threatening that national interest, identifying what is the current

⁶⁹ Office of the Press Secretary, The White House, “Fact Sheet: United States-Philippines Bilateral Relations,” April 28, 2014, accessed September 25, 2017, <https://obamawhitehouse.archives.gov/the-press-office/2014/04/28/fact-sheet-united-states-philippines-bilateral-relations>.

⁷⁰ US-China Economic and Security Review Commission, *2016 Report to Congress of the US-China Economic and Security Review Commission*, November 2016, 483, accessed November 10, 2017, https://www.uscc.gov/Annual_Reports/2016-annual-report-congress.

level of risk, and determining how much risk is acceptable. Following this method of analysis will provide a comprehensive view on the topic and allow for an accurate assessment of risk to US national interests under the current strategy.

Assessing Risk

To assess risk this methodology uses the Joint Risk Analysis Methodology found in Chairmen of the Joint Chiefs of Staff Manual (CJCSM) 3105.01 *Joint Risk Analysis* dated 14 October 2016. This methodology has three components and four steps that allow leaders to accurately appraise and communicate risk to inform decision making at the strategic level. The process described in CJCSM 3105.01 is:

The three components are *Risk Appraisal*—generation of knowledge and understanding; *Risk Management*—decisions and actions to manage or mitigate risk; and *Risk Communication*—the exchange of risk perspectives across processes and among leadership. Four steps are essential in a viable risk process: 1) Problem Framing—establishing the risk conventions and “risk to what?”; 2) Risk Assessment—identifying and scaling threats, “risk from what?”; 3) Risk Judgment—developing a risk profile, “how much risk?” and evaluating the risk—“how much risk is ok?”, and 4) Risk Management—decisions and actions to accept or mitigate—“what should be done about the risk.”⁷¹

This study will follow steps 1-3 as described, and for step 4 only make recommendations that are later explained in Chapter 5.

Strengths of the Method

The several strengths of this method include a comprehensive approach, the breadth of multiple points of view, and the depth of the study. This method will analyze the strategies of all three countries to determine objectives, concepts, and resources used

⁷¹ CJCS, *Joint Risk Analysis*, B-1.

across the full range of the elements of national power. This approach will provide a more comprehensive view than previous studies that have focused on strictly the military, diplomatic, information, or economic aspects. This method has the potential to determine gaps in strategy synchronization that may exist within the US interagency, as well as identify the Chinese and Philippine efforts to synchronize their respective strategies.

This method aims to include multiple points of view from official government documents, government press releases, sworn testimony, public speeches, and media appearances from officials at the national-strategic and operational levels from all three governments. Also included in this method is written analysis from academia and professional journals from various schools of thought. These varying perspectives will reduce the potential for bias and make the results of the study much more fair-minded.

The comprehensive approach and multiple points of view will reach a depth of perspective necessary to clarify the inherent complexity of national strategy. There is no shortage of variables that impact the operational environment that a given strategy is developed to affect. Military planners use a variety of methods of systems analysis to understand how military operations may be affected by the impact of the political environment, the economic environment, and the social environment among others. The structure of this methodology will examine the relationships between the DIME elements to understand the problems and complexities at sufficient depth.

Limitations of the Method

There are several limitations inherent to this methodology to include government transparency and policy clarity. The US is the most transparent of the three governments included. The governments of China and the Philippines have some official documents

available in the open source, but not nearly to the extent of the US government. Another limitation example is when experts or another country's government officials dispute a government's official explanation of the intent of a given action. For example, the official purpose of the US "pivot" or rebalance to Asia is to allocate sufficient resources to the "world's political and economic center of gravity."⁷² Some analysts, as well as the Chinese government, argue that the real purpose of the US rebalance to Asia is to contain China.⁷³ This potential lack of transparency presents challenges with determining the goals, benchmarks, and actions to support the goals. This study will make logical inferences when policy goals or actions are missing or disputed.

A problem with the information from all three governments is that policy goals are often not explicitly stated, not linked to actions, and not clearly assessed. The best case is on the US side where national interests are outlined and discussed in the NSS,⁷⁴ and the language used in various statements, press releases, and fact sheets about a given program can be loosely traced back to the NSS. On the other end of the spectrum is China. The PRC periodically publishes a "white paper" that vaguely describes changes in official government policy. The 2015 Chinese white paper titled "National Security Law" describes national security as an environment where the "regime, sovereignty, unity,

⁷² Office of the Press Secretary, The White House, "Fact Sheet: Advancing the Rebalance to Asia and the Pacific," November 16, 2015, accessed October 10, 2017, <https://obamawhitehouse.archives.gov/the-press-office/2015/11/16/fact-sheet-advancing-rebalance-asia-and-pacific>.

⁷³ Curtis Stone, "Why a Third Phase of the US Rebalance to Asia-Pacific could be Destructive," *People's Daily Online*, October 13, 2016, accessed October 10, 2017, <http://en.people.cn/n3/2016/1013/c90000-9126636.html>.

⁷⁴ US President, NSS, 2015, 2.

territorial integrity, welfare of the people, sustainable economic and social development, and other major interests of the state are relatively not faced with any danger...”⁷⁵ Close watchers of Chinese policy argue that this specific white paper marked an apparent expansion of “core interests” to include protecting territorial claims.⁷⁶ The vagueness of language that China’s official documents contain presents challenges in determining what interests are, in fact, core interests. This study will again make logical inferences to clarify objectives, benchmarks, and linked actions when appropriate.

Chapter Summary and Conclusion

This chapter discussed the process this study uses to analyze the US strategy for protecting national interests from the threat of China’s actions in the Philippines. This study uses the definition of strategy discussed in JP 3-0 to develop a methodological structure which also takes into account the elusiveness of strategy as discussed by Dolman. The process to evaluate the strategies of the three countries is to determine ends, ways, and means used across the elements of national power under the DIME construct, and then assess the risk to US national interests under the current strategy. This method has several strengths and limitations to take into account as discussed. The next chapter

⁷⁵ President of the People’s Republic of China (PRC), “National Security Law of the People’s Republic of China (2015),” July 1, 2015, accessed September 28, 2017, http://eng.mod.gov.cn/publications/2017-03/03/content_4774229.htm.

⁷⁶ Edward Wong, “Security Law Suggests a Broadening of China’s ‘Core Interests’,” *New York Times*, July 2, 2015, accessed October 17, 2017, <https://www.nytimes.com/2015/07/03/world/asia/security-law-suggests-a-broadening-of-chinas-core-interests.html>.

will analyze the information discussed to this point by using the methodology covered in this chapter.

CHAPTER 4

ANALYSIS

Chapter Introduction

The China-Philippines relationship is now seeing a rainbow after the storm.

—Li Keqiang, Chinese Premier, *The Manila Times*

Fight no battle unprepared; fight no battle you are not sure of winning; make every effort to be prepared for each battle, make every effort to ensure victory in the given set of conditions as between the enemy and ourselves.

—Mao Tsetung, *Quotations from Chairman Mao Tsetung*

The purpose of this chapter is to provide analysis on the strategy of the three countries for blending the elements of national power to reach national objectives, and assess the risk to US national interests under the current strategy. This chapter has five sections. First, the goals of each country will be analyzed based on official documents and written analysis of each country. Second, the US ways and means are analyzed across each of the four elements of national power, as well as an assessment of how effective that approach has been at reaching national goals. Section three will follow the same format as section two, but for China's ways and means. The fourth section will analyze the Philippines' ways and means, but will only cover exceptional information that the previous sections did not include. The final section will assess the level of risk to US national interests under the current US strategy by applying the Joint Risk Analysis Methodology.

The Goals of the Three Counties

The US Embassy-Manila Integrated Country Strategy (ICS) for 2017 has four goals and associated objectives of each goal. The four goals include:

1. The Philippines improves its territorial defense capability to deter aggression and illegal maritime activities, encourages peaceful resolution of territorial and maritime disputes, reduce the threat of terrorism, and improve peace and stability in conflict affected areas.
2. The Philippines enjoys strong, sustainable, resilient, and increasingly inclusive economic growth and social development, and provides greater opportunities for US businesses and investments, while promoting the country's environmental stewardship commitments.
3. The Philippines is more capable and more frequently contributes to resolving regional and global challenges.
4. The Philippines enjoys strengthened democratic processes and social development, increased transparency and accountability in government, and enhanced respect for the rule of law and the full spectrum of human rights in all sectors of society.

These goals do not specifically state US national interests in the Philippines, so they are inferred by analyzing the National Security Strategy (NSS) from the current and previous administration.

As mentioned in chapter three, this study uses the enduring national interests from *Joint Risk Analysis* which reflects the 2015 NSS and is consistent with the 2017 NSS. Analysis of the past three NSS documents shows that the US seeks to strengthen its

alliance with the Philippines to maintain access and influence in the region. America wants access in the region to maintain stability, deter aggression, and defeat any country that seeks to alter the existing international order through force or coercion. Access is also essential to increase interoperability with other militaries and ensure trade lines of communication remain open and protected by the American military and its partners. Influence in the region is vital for shaping regional organizations to promote capitalism, democracy, and human rights. Since 2010, the NSS has expressed a clear trend of increased concern over Chinese actions, as well as an increase in the importance of the relationship between the US and the Philippines.⁷⁷

One interest not mentioned in any of the NSS documents is related to the so-called “grand strategy” which was never officially published. A goal of this grand strategy is to prevent any one country, in this case, China, from dominating the Asia-Pacific region if China would then seek to significantly alter the existing international order to the detriment of America. Since the end of World War II, the US has played a key role in maintaining regional security in the Asia-Pacific region. Ping pong diplomacy under the Nixon administration resulted in a shift in Chinese economic policy that opened its markets, and today China’s increased economic strength has also brought an increased amount of power. China’s ability to exercise that power threatens to push American access and influence from the region and create a regional hegemony over its neighbors. The fact that, “most of the world’s people, resources, and economic activity are located

⁷⁷ To see examples of this trend over the three documents see: US President, NSS, 2010, 43; US President, NSS, 2015, 24; US President, NSS, 2017, 25.

not in the Western Hemisphere, but in the other hemisphere, particularly Eurasia,”⁷⁸ dictates that the US must maintain access and influence in the region or risk another country that may be hostile towards America dominating this global center of gravity. The rise of China has dramatically impacted the international security environment and is forcing America to reassess its priorities.

By analyzing the NSS, *Joint Risk Analysis*, and the information discussed in chapter two, the US has six national interests that are relevant to this study. Interest 1: The US has an interest to uphold its obligation to protect its ally in the Philippines based on the mutual defense treaty. Interest 2: America has an interest in ensuring all countries—China and the Philippines included—respect international law. Interest 3: America has an interest in keeping the trade route through the SCS open and accessible so global trade can continue. Interest 4: The US also has an interest in maintaining military access in the SCS to provide a deterrence to any country that may seek to change the balance of power in the region through force or coercion. Interest 5: The US has an interest in protecting and responding to the needs of roughly 220,000 American citizens that live in the Philippines. Interest 6: The US has an interest in preventing a hostile ascending regional hegemony in the Asia-Pacific region that seeks to alter the current international order. The strategic risk matrix (table 1) from *Joint Risk Analysis* adds examples of some possible potential threats to US strategic interests which helps to explain the decision for using these six interests.

⁷⁸ Ronald O’Rourke, R43838, *A Shift in the International Security Environment: Potential Implications for Defense—Issues for Congress*, (Washington, DC: Library of Congress, December 12, 2017), 11, accessed January 17, 2018, <https://fas.org/sgp/crs/natsec/R43838.pdf>.

Table 1. Strategic Risk Matrix Examples

		Hazard Estimate (Consequence based of damage to interests, time, resiliency) (With illustrative exemplars)			
		Limited (1) Minor damage to interests and/or short-term impacts	Major (2) Moderate damage to interests, and/or mid-term impacts	Catastrophic (3) Major damage to interests and/or long-term impacts	Existential (4) Extreme damage to interests and/or permanent destruction of defining system
Enduring National Interest	Strength of Interest				
The security of the US, its population, civil society, allies, and partners	HLD/vital-4	-Small scale contingency ops (NEO, HA/DR) -Tactical terror attack (lone wolf) -Minor domestic civil disturbance -American hostages	-Minor armed conflict -Operational terror attack -Loss of ally or partner -Rise of regional hegemony -Isolated attack of US business or embassy	-Theater war or major armed conflict -Strategic terror attack (9/11) -Invasion or loss of major ally or partner -Regional security organization (NATO) breakup	-Nuclear war (US or allies) -WMD terror attack -Domestic rebellion -Pandemic or natural disaster that threatens US existence
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				
Security of the US economy & global economic systems	HLD/vital-4	-Limited trade, financial, or resource interruption -Limited interference in critical infrastructure -Change in currency standard -Minor cyber compromise	-Extended trade, financial, or resource interruption -US recession -Extended interference in critical infrastructure	-Financial failure of major institution or market -Major degradation critical infrastructure -Access to global domain(s) disrupted by adversary	-Global of US economic collapse -Closed economic system -Seizure of US business/industry -Access to global domain(s) denied by adversary
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				
Preservation and extension of universal values	HLD/vital-4	-Local atrocities -Imposition of martial law by ally or partner -Democratic regression of ally or partner	-Mass atrocity -Democratic regression of key ally or partner -Local imposition of alternative value system	-Genocide (Holocaust) -Regional imposition of alternative value system -Emergence of powerful totalitarian nation	-Global imposition of alternative value system
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				
Advancing and maintaining US-led international order	HLD/vital-4	-Local or state order undermined or replaced by alternative system neutral or antagonistic to US (sets bad precedent)	-Regional order undermined or replaced by alternative system neutral or antagonistic to US	-Elements of international order undermined or replaced by alternative system neutral or antagonistic to US	-US order replaced in total by alternative system hostile to current US system
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				

Source: Created by author using data from Office of the United States Chairman of the Joint Chiefs of Staff, Chairman of the Joint Chiefs of Staff Manual 3105.01, *Joint Risk Analysis* (Washington, DC: Government Publishing Office, October 14, 2016), C-5.
NOTE: Highlights to examples added by the author. Some example were omitted.

The goals of China in the Philippines are equally complicated. Chinese white papers plainly state that the country opposes hegemony and will never seek to expand its control.⁷⁹ The official position of the Chinese government on the maritime disputes with the Philippines is the islands under Chinese control have indisputably always belonged to

⁷⁹ The State Council, PRC, “China’s Military Strategy.”

China, and international arbitration is not the proper method for resolving disputes.⁸⁰ The inferred goal of China is to peacefully reach an agreement bilaterally with the Philippines that validates the indisputable claim of the Spratly Islands and Scarborough Shoal. China also wants to keep outside parties to this matter—the US and international courts included—removed from the process because China has the most leverage during bilateral negotiations with the country directly involved. China must also protect its interests, but the Chinese government claims its actions have always been defensive and in response to the actions of other countries, and are required to maintain stability in the region.⁸¹

The goal of China never discussed in a white paper or public statement is to remove US access and influence in the region to gain more freedom to push its state-driven economic model,⁸² and the Philippines is strategically vital to China for achieving that goal. The Philippines falls within the so-called “first island chain” that reaches from Japan in the North, down through the Philippines, and South to the Malaysian/Indonesian Island of Borneo in the SCS (figure 1).⁸³ Control of this island chain is essential for China to create a buffer against US access into the region. Although China officially

⁸⁰ Ministry of Foreign Affairs, PRC, “Position Paper on Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippine.

⁸¹ The State Council, PRC, “China’s Military Strategy.”

⁸² US President, NSS, 2017, 25.

⁸³ *The Economist*, “Who rules the waves? China no longer accepts that America should be Asia-Pacific’s dominant naval power,” October 17, 2015, accessed January 20, 2018, <https://www.economist.com/news/international/21674648-china-no-longer-accepts-america-should-be-asia-pacifics-dominant-naval-power-who-rules>.

rebukes the idea of hegemony today, there are substantial historical precedents that suggest it will also seek to dominate its periphery in some capacity if the country is prosperous at reaching its real potential as a powerful nation.⁸⁴ China has no shortage of threats that could impede reaching that potential, but the US is the most significant threat that could alter that course. The current level of access and influence that the US has in China’s backyard, including the Philippines, must be pragmatically challenged until Beijing can afford to be more assertive.



Figure 1. China’s Maritime Environment

Source: *The Economist*, “Who Rules the Waves? China No Longer Accepts that America Should be Asia-Pacific’s Dominant Naval Power,” October 17, 2015, accessed January 17, 2018, <https://www.economist.com/news/international/21674648-china-no-longer->

⁸⁴ Swaine and Tellis, “*Interpreting China’s Grand Strategy: Past, Present, and Future*,” 231-233.

accepts-america-should-be-asia-pacifics-dominant-naval-power-who-rules.

The goals of the Philippines concerning America and China are relatively straightforward as described in official documents, but become less clear after evaluating President Duterte's actions. The Philippines is a developing country plagued with poor governance, poverty, and lack a security force that can adequately protect its people.⁸⁵ The GRP acknowledges these challenges and seeks to balance the need to maintain an independent foreign policy with the fact that the country must accept support from other nations to provide for the Filipino people. Historically, the US is the most important partner and ally for providing security and economic assistance. Although this relationship is still strong, subtle changes in the most recent Philippine National Security Policy (NSP) indicate that China may be closing the gap. For example, The US is listed first in both NSP documents from the Aquino and Duterte administrations when discussing the geopolitical environment, but in the 2017 document, China is moved up from the fourth position to number two, ahead of ASEAN and Japan.⁸⁶ The differences are less subtle and more confusing when analyzing Duterte's words and actions.

US officials are taking a "wait and see" approach with Duterte, convinced that the relationship with the Philippines is strong enough to withstand the bumps he had created in his first two years in office. Publicly, Duterte most famously announced in October 2016, that he was separating from the US to pursue closer ties with China and Russia, only to walk the comment back in the following days.⁸⁷ Although no significant changes

⁸⁵ Malacanan Palace, *National Security Policy*, 2010, 15-18.

⁸⁶ Malacanan Palace, *National Security Policy*, 2017, 13-14.

⁸⁷ Emily Rauhala, "Philippines' Duterte called for a 'separation' from the US: He is now backtracking," *Washington Post*, October 21, 2016, accessed February 20, 2018,

to the relationship between Washington and Manila have occurred, at a minimum Duterte is hedging his bets by pursuing closer ties to Beijing. At least for now, the Philippines is also taking a “wait and see” approach to determine just how much the international security environment has changed in China’s favor.

An analysis of the goals of the three countries shows there is much room for increased cooperation, but that window appears to be closing fast. In the past decade, the US has reversed its rhetoric towards China from opportunity and collaboration to competition and distrust.⁸⁸ The US is signaling that China’s free ride to prosperity on the American-led international order is coming to an end. China views the US rebalance to Asia as a direct challenge to contain China’s rise. China seeks to continue its current approach, specifically in the Philippines, without crossing a red line with America until the situation allows for a more assertive approach. The Philippines is stuck in the middle and is trying to play both sides as the situation permits. The Philippines stands to gain the most if both larger countries are willing to assist without dictating a break from the other in exchange. Both China and the Philippines can be assumed to continue the current path for the foreseeable future. China is getting the stability and security it needs to continue towards prosperity and regional dominance. The Philippines has received over \$2.3 billion in military and economic assistance from America since 2009⁸⁹ and \$24 billion in

https://www.washingtonpost.com/news/worldviews/wp/2016/10/21/the-backtracking-begins-duterte-ally-softens-philippines-separation-from-u-s/?utm_term=.f524269e3592.

⁸⁸ The rhetoric in the NSS has changed from optimism and opportunity in 2010 to competition and distrust in 2017. See US President, NSS, 2010, 43; US President, NSS, 2015, 24; US President, NSS, 2017, 25.

⁸⁹ US Agency for International Development (USAID), “Foreign Aid Explorer-Philippines,” accessed March 20, 2018, <https://explorer.usaid.gov/aid->

economic development loans and private investment from Beijing since Duterte's election.⁹⁰ The question is: Does the US decide to change the calculus and draw a line in the sands in the Philippines?

United States Ways and Means

The foundation of diplomatic relations between the US and Philippines is the Mutual Defense Treaty signed in 1951 and reaffirmed in 2011 with the signing of the Manila Declaration.⁹¹ The Philippines is 1 of only 3 countries (Japan, Korea) in the world that has a similar bilateral treaty with the US,⁹² and is also only 1 of 15 countries designated by US law as a "Major Non-NATO Ally."⁹³ In 2014 the US and the Philippines signed the Enhanced Defense Cooperation Agreement (EDCA) which provides the US with an enhanced rotational presence of forces for humanitarian assistance, training, and maritime security.⁹⁴ Since 2011, the two countries have met

dashboard.html#2009Foreign Aid Explorer, "Philippines," accessed March 5, 2018, <https://explorer.usaid.gov/aid-dashboard.html>.

⁹⁰ SecDef, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, 9.

⁹¹ DoS, "US Relations with the Philippines."

⁹² US Department of State (Dos), "US Collective Defense Arrangements," accessed February 17, 2018, <https://www.state.gov/s/l/treaty/collectivedefense/>.

⁹³ US Government Publishing Office, 22 CFR § 120.32 - Major Non-NATO Ally, April 1, 2016, accessed February 15, 2018, <https://www.gpo.gov/fdsys/pkg/CFR-2016-title22-vol1/pdf/CFR-2016-title22-vol1-sec120-32.pdf>.

⁹⁴ Eleanor Albert, "The US-Philippines Defense Alliance" The Council on Foreign Relations, October 21, 2016, accessed February 20, 2018, <https://www.cfr.org/backgrounders/us-philippines-defense-alliance>.

annually during the Bilateral Strategic Dialogue. At the most-recent meeting in January 2017 they:

reaffirmed their commitment to deepening collaboration in areas including maritime security, humanitarian assistance and disaster response, cybersecurity, countering transnational drug trafficking, countering terrorism, and improving drug prevention and treatment services, as well as combating wildlife trafficking and illegal, unreported, and unregulated fishing...Both sides reiterated their commitment to uphold freedom of navigation and overflight and other lawful uses of the sea in the South China Sea, and stressed the importance of peacefully resolving disputes in accordance with international law, as reflected in the Law of the Sea Convention.⁹⁵

The two sides also discussed the potential for a future bilateral free trade agreement. The agenda for this meeting was guided by the discussion held earlier in November 2017 when Presidents Trump and Duterte met in Manila.⁹⁶ Very few countries in the world receive the level of diplomatic attention from the US that the Philippines has received in recent years.

Several positions are central to the goals of US information actions concerning China and the Philippines. First, the US takes no official position in support of one country's claims against another country and that all disputed waters in the SCS, to include disputes involving the Philippines, should be resolved in a manner consistent with international law. Second, the American presence in the region has enabled the security necessary for unprecedented economic development that all countries, but

⁹⁵ US Department of State (DoS), "Joint Press Statement: US-Philippines Bilateral Strategic Dialogue 2017," December 1, 2017, accessed February 17, 2018, <https://www.state.gov/r/pa/prs/ps/2017/12/276161.htm>.

⁹⁶ Ibid.

especially China, have benefitted.⁹⁷ Third, these disputes should be handled without force, coercion, intimidation, or unilateral action that would disrupt the status quo and threaten the current security situation. Fourth, countries have the right to regulate economic activity within their recognized exclusive economic zone (EEZ), but countries do not have the right to regulate military activities of other countries within that EEZ.⁹⁸ Finally, the US also maintains the right to exercise freedom of navigation anywhere in the world that international law allows.⁹⁹

US officials have reiterated these positions in public continuously over the past several years, to include during joint press conferences with the presidents. Following a meeting between Presidents Obama and Xi on September 25th, 2015, President Obama said the following:

We did have candid discussions on the East and South China Seas, and I reiterated the right of all countries to freedom of navigation and overflight and to unimpeded commerce. As such, I indicated that the United States will continue to sail, fly and operate anywhere that international law allows. I conveyed to President Xi our significant concerns over land reclamation, construction and the militarization of disputed areas, which makes it harder for countries in the region to resolve disagreements peacefully. And I encouraged a resolution between

⁹⁷ US Congress, Senate, *Statement of Admiral Harry B. Harris Jr, US Navy Commander, US Pacific Command before the Senate Armed Forces Committee on US Pacific Command Posture.*

⁹⁸ O'Rourke, *Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress*, 35-36.

⁹⁹ Office of the Press Secretary, The White House, "Remarks by President Obama and President Xi of the People's Republic of China in Joint Press Conference," September 25, 2015, accessed February 25, 2018, <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>.

claimants in these areas. We are not a claimant; we just want to make sure that the rules of the road are upheld.¹⁰⁰

President Trump has been less vocal and specific thus far about the US position on the SCS, including concerns in the Philippines, but the position appears to be unchanged.¹⁰¹ Many other US officials at the highest levels of government have made public remarks similar to the remarks of President Obama above.

US information actions surrounding the freedom of navigation operation (FONOP) program has evolved over time and between administrations. Under the Obama administration, no announcement was made by US officials prior, during, or after a mission is executed. If the media discovered a FONOP took place, which sometimes occurs, officials explained the right to conduct “freedom of navigation” and withheld the details of the purpose. Specific messaging for freedom of navigation operations in the SCS, some argue, has been problematic for America. If America asserts that the operation was intended to uphold the vague purpose of freedom of navigation without more specifics, China can claim through messaging that they are not impeding freedom of navigation under their definition.¹⁰² The Trump administration has indicated adjustments

¹⁰⁰ Office of the Press Secretary, The White House, “Remarks by President Obama and President Xi of the People’s Republic of China in Joint Press Conference.”

¹⁰¹ Office of the Press Secretary, The White House, “Joint Statement between the United States of America and the Republic of the Philippines,” November 13, 2017, accessed February 20, 2018, <https://www.whitehouse.gov/briefings-statements/joint-statement-united-states-america-republic-philippines/>.

¹⁰² Lynn Kuok, *The US FON Program in the South China Sea a lawful and necessary response to China’s strategic ambiguity*, Center for East Asia Policy Studies at Brookings, June 2016, 23, accessed February 11, 2018, <https://www.brookings.edu/wp-content/uploads/2016/07/The-US-FON-Program-in-the-South-China-Sea.pdf>.

to this strategy and officials have recently included specific excessive claims the FONOP was designed to challenge.¹⁰³

Concerning the Philippines, US information actions have several themes that highlight the importance of the relationship. First, US officials consistently refer to the “ironclad” commitment of the US to the Philippines.¹⁰⁴ Second, US officials take every public opportunity to mention the allied relationship based on the mutual defense treaty and the signing of the Enhanced Defense Cooperation Agreement. Press releases from the Department of Defense show that senior defense officials almost always mention the importance of the two countries working together on counterterrorism and maritime security.¹⁰⁵

A critical aspect of the US information strategy is the shift that took place, however subtle, with the transition from the Obama administration to the Trump

¹⁰³ For an example of this see: Idrees Ali, “US destroyer challenges China’s claims in South China Sea,” *Reuters*, August 10 2017, <https://www.reuters.com/article/us-usa-china-southchinasea-exclusive/u-s-destroyer-challenges-chinas-claims-in-south-china-sea-idUSKBN1AQ0YK>; Idrees Ali and David Brunnstrom, “US warship drill meant to defy China’s claim over artificial island: officials,” *Reuters*, May 24, 2017, <https://www.reuters.com/article/us-usa-southchinasea-navy/u-s-warship-drill-meant-to-defy-chinas-claim-over-artificial-island-officials-idUSKBN18K353>.

¹⁰⁴ US Department of Defense (DoD), “Readout of Secretary Mattis’ Meeting with Philippine President Rodrigo Duterte,” October 25, 2017, accessed March 3, 2018, <https://www.defense.gov/News/News-Releases/News-Release-View/Article/1353353/>.

¹⁰⁵ US Department of Defense (DoD), “Carter: US, Philippines Enjoy ‘Longstanding’ Alliance,” March 19, 2013, accessed March 3, 2018, <http://archive.defense.gov/news/newsarticle.aspx?id=119570>; US Department of Defense (DoD), “Readout of Secretary Mattis’ Meeting with Philippine Secretary of National Defense Delfin Lorenzana,” October 25, 2017, accessed March 3, 2018, <https://www.defense.gov/News/News-Releases/News-Release-View/Article/1353358/readout-of-secretary-mattis-meeting-with-philippine-secretary-of-national-defen/>.

administration. Both American and Philippine presidents transitioned administrations between June of 2016 in the Philippines and January of 2017 in America. The Obama and Aquino administrations agreed that the 2016 arbitration award to the Philippines was legally binding for both China and the Philippines,¹⁰⁶ and US information actions were very focused on this theme. Under the Trump administration, minimal emphasis has been given to the arbitration ruling, likely because the Duterte administration has shown a willingness to work directly with China to resolve the dispute. Some experts are concerned that the US could be using maritime disputes in the SCS as a bargaining chip with China to seek closer coordination on resolving nuclear proliferation issues with North Korea.¹⁰⁷

US military assistance to the Philippines has been extensive as compared to other countries in the region. The focus of that assistance until very recently has been on improving Philippine security forces' capabilities to fight separatist movements on the island of Mindanao and in the Sulu Archipelago. Joint Special Operations Task Force—Philippines (JSOTF-P) was established in 2002 under the auspices of Operation Enduring Freedom—Philippines and remained active until early 2015.¹⁰⁸ This organization worked

¹⁰⁶ US Department of State (DoS), “Sixth United States-Philippines Bilateral Strategic Dialogue Joint Statement,” March 18, 2016, accessed March 3, 2018, <https://2009-2017.state.gov/r/pa/prs/ps/2016/03/254833.htm>.

¹⁰⁷ John Grady, “Experts Wary White House Could Trade Beijing South China Sea Concessions for Help With North Korea,” United States Naval Institute, July 18, 2017, accessed March 5, 2018, <https://news.usni.org/2017/07/18/experts-wary-white-house-trade-beijing-south-china-sea-concessions-help-north-korea>.

¹⁰⁸ Sheena Chestnut Greitens, “Terrorism in the Philippines and US-Philippine security cooperation,” The Brookings Institution, August 15, 2017, accessed March 5,

closely with the Philippine military, government, and other non-governmental organizations as discussed in a 2016 Rand report:

JSOTF-P provided an average of 500 to 600 troops equipped with a wide array of enablers, including air, sea, and land mobility platforms, [intelligence, surveillance, and reconnaissance] ISR assets, and medical personnel. These personnel were constantly present and engaged at all echelons with a wide variety of Philippine partners, and the great majority of them served multiple tours, which created a base of knowledge and relationships that further increased their impact. The effort entailed an estimated investment of \$52 million annually.¹⁰⁹

One of the outcomes of these 13 years of cooperation was a “renewal and deepening of US-Philippine relations” throughout the military and diplomatic channels of both countries.¹¹⁰ Although JSOTF-P deactivated in 2015, total military assistance to the Philippines has increased since then and has shifted focus to maritime security.

From 2009 through 2016 the US provided \$522 million in military assistance to the Philippines, an average of just over \$65 million per year. The last two reported years, however, saw a substantial increase to \$100 million and \$152 million in 2015 and 2016 respectively.¹¹¹ The shift in US strategy from combatting terrorism during the days of JSOTF-P to a strategy more focused on maritime security resulted in the Philippines

2018, <https://www.brookings.edu/opinions/terrorism-in-the-philippines-and-u-s-philippine-security-cooperation/>.

¹⁰⁹ Linda Robinson, Patrick B. Johnston, and Gillian S. Oak, *US Special Operations Forces in the Philippines, 2001–2014*, Santa Monica, CA, RAND Corporation, 2016, 112, accessed March 5, 2018, https://www.rand.org/pubs/research_reports/RR1236.html.

¹¹⁰ *Ibid.*, 122.

¹¹¹ USAID, “Foreign Aid Explorer-Philippines.”

becoming the largest recipient of maritime security assistance.¹¹² During 2015-16 the US focused on improving the training and logistics base of the AFP, fleet upgrades, aircraft procurement, and transfer of decommissioned US Coast Guard Cutter Boutwell ships under the Excess Defense Articles program.¹¹³ The US synchronizes this assistance with the GRP Internal Peace and Security Plan from 2011 which aims to transition internal security responsibility to the Philippine National Police while the AFP shifts focus to external defense.¹¹⁴

Over the past few years, the US Department of Defense has repeatedly challenged China's excessive maritime claims in the Philippines by conducting freedom of navigation operations (FONOP) in the disputed waters and airspace. The purpose of a FONOP is to "maintain the global mobility of US forces and unimpeded commerce by protesting and challenging attempts by coastal States to unlawfully restrict access to the seas."¹¹⁵ Although the exact number of challenges against China is unclear, the US has conducted multiple FONOP missions each of the past several years in the SCS and the Spratly Islands.

¹¹² Office of the Press Secretary, The White House, "Fact Sheet: US Building Maritime Capacity in Southeast Asia," November 17, 2015, accessed March 2, 2018, <https://obamawhitehouse.archives.gov/the-press-office/2015/11/17/fact-sheet-us-building-maritime-capacity-southeast-asia>.

¹¹³ Ibid.

¹¹⁴ Office of the Press Secretary, The White House, "Fact Sheet: United States—Philippine Bilateral Relations."

¹¹⁵ US Department of Defense (DoD), *Report to Congress—Annual Freedom of Navigation Report Fiscal Year 2017*, December 31, 2017, 2, accessed March 6, 2018, <http://policy.defense.gov/Portals/11/FY17%20DOD%20FON%20Report.pdf?ver=2018-01-19-163418-053>.

The challenges against China that are relevant to the Philippines include “jurisdiction over airspace above the exclusive economic zone (EEZ),” a “domestic law criminalizing survey activity by foreign entities in the EEZ,” and “actions/statements that indicate a claim to a [territorial sea] around features not so entitled.”¹¹⁶ Interestingly, the US also conducted multiple challenges to an excessive claim by the Philippines in the Sulu Sea.¹¹⁷ In 2017, the US did more FONOP missions to challenge excessive claims by China (6 total different legal challenges each challenged multiple times) than any of the other 22 countries in the world where FONOP missions took place.¹¹⁸ The ways and means the US has used its military element of national power in the Philippines have been very robust over the past several years.

The US and Philippines have a close economic relationship that has lasted over 100 years. The two countries signed a Trade and Investment Framework Agreement (TIFA) in 1989 that outlines how the countries will coordinate economic activity bilaterally and multi-laterally,¹¹⁹ and the US has similar agreements with ten other countries in Southeast Asia.¹²⁰ Approximately 16% (\$8.67B) of Philippine exports, over

¹¹⁶ DoD, *Report to Congress—Annual Freedom of Navigation Report Fiscal Year 2017*, 3.

¹¹⁷ *Ibid.*, 4.

¹¹⁸ *Ibid.*, 3-5.

¹¹⁹ Office of the US Trade Representative, “US-Philippine Trade Facts,” accessed March 3, 2018, <https://ustr.gov/countries-regions/southeast-asia-pacific/philippines>.

¹²⁰ Office of the US Trade Representative, “Trade and Investment Framework Agreements,” accessed February 18, 2018, <https://ustr.gov/trade-agreements/trade-investment-framework-agreements>.

half of which is from the machines sector, finds its way to the shores of America making the US the 2nd largest export destination. The US is also the 3rd largest import country to the Philippines totaling 9.5% (\$8.2B) of all imports to the Philippines in 2016.¹²¹

US foreign assistance to the Philippines for economic purposes has also been robust. The goal of US economic assistance to the Philippines is to “partner with the country to become a stable and prosperous nation.”¹²² From 2009 to 2016 the US provided \$1.8B in economic assistance, an average of \$227M per year.¹²³ The centerpiece of that assistance is the Partnership for Growth with Equity (PFG) program that aims to improve economic growth by reducing existing constraints through a whole-of-government approach and involves 15 different USG organizations. The Philippines was one of only four countries globally selected to receive assistance under the PFG program, and the only country in Asia selected.¹²⁴ Included in that assistance was a Millennium Challenge Corporation package which completed a five-year \$434M package in 2016 that aimed at reducing poverty through economic growth. The GRP in 2017 decided against requesting a second package from the MCC.¹²⁵

¹²¹ Simoes, “The Observatory of Economic Complexity—Philippines.”

¹²² DoS, “US Relations with the Philippines.”

¹²³ USAID, “Foreign Aid Explorer-Philippines.”

¹²⁴ US Agency for International Development (USAID), “Partnership for Growth with Equity—Philippines,” accessed February 20, 2018, <https://www.usaid.gov/philippines/partnership-growth-pfg>.

¹²⁵ Millennium Challenge Corporation of the United States of America, “Philippines,” accessed 19 February, 2018, <https://www.mcc.gov/where-we-work/country/philippines>.

The US strategy concerning the Philippines and China in the short-run is gloomy. The election of Rodrigo Duterte in the Philippines and his subsequent decision to pursue direct bilateral negotiations with China to resolve maritime disputes instead of attempting to enforce the arbitral tribunal's award is a significant blow to the American strategy. Over the past several years the US has used its elements of national power robustly to strengthen its relationship with the Philippines, but not in a way that improves Manila's willingness or ability to stand up to China.

Diplomacy efforts by the US focused on posturing American forces to serve as a deterrence to China, but America is unwilling to come to the Philippines' defense over the disputed islands in the South China Sea. The US developed information actions on the foundation of adherence to international law and dependent on the outcome of the award that President Duterte has disregarded in favor of bilateral negotiations. American military might was heavily focused on counterterrorism, which helped strengthen certain relationships between countries, but ignored the Philippines maritime forces until they provided recent "hand-me-downs." Freedom of navigation operations are legal operations conducted by the military, but to be effective requires the Philippines to be on the same page, which they are not. Economic relations are strong, but the impact of those relations have not improved the situation for the Philippines enough to prevent President Duterte from also seeking Chinese assistance.

The most critical weaknesses of this strategy are the lack of diplomacy to reassure the Philippines of American commitment. American officials like to say that the US has an ironclad commitment to its ally, but those claims have been mostly untrue concerning China and the SCS. The US has not backed up that rhetoric with enough resources to

improve the Philippines' capability to deter Chinese action, and America is unwilling to take action alongside the Philippines to provide effective deterrence. This situation has led the current Philippine President to publicly bash the lack of American resolve as he at least temporarily abandons the Philippine argument based on respect for international law to instead negotiate with China bilaterally on China's terms.

As mentioned earlier, America appears to be taking a wait-and-see approach with Duterte, betting that the relationship between countries is strong enough to withstand the short-run damage a single Philippine President can cause. This strategy only makes sense in the long-run if the US is willing to accept decline and graciously cede in Asia to China's so-called inevitable rise. A single six-year term by a Philippine President can do a great deal of harm to American interests in the Philippines, and has strong potential also to harm national interests in Asia given the current set of conditions, as will be described below. American power in the Philippines is not aligned to respond to China's actions, and every day that passes is another of which China further cements its hold.

China Ways and Means

From 2010-2016 during the Aquino administration in the Philippines, the diplomatic relations between the two countries were strained with the disputed claims in the SCS dominating the dialogue. The Philippines filed an official case with The Hague in 2013 against China after China seized the disputed Scarborough Shoal. The Philippines' argument claimed China's actions in the South China Sea violated the United Nations Convention on the Law of the Sea (UNCLOS). China issued a position paper in December 2014 that explained its refusal to participate in the case claiming that the Hague lacked jurisdiction and the Philippines violated its agreement with China to

handle disputes bilaterally.¹²⁶ China issued another similar position paper in October 2015 following the tribunal’s decision to exercise jurisdiction over the case.¹²⁷ Following the arbitral tribunal’s award to the Philippines, China published three separate position papers. One paper reiterated China’s position of sovereignty over the SCS, to include the Spratly Islands and Scarborough Shoal, and claims of territorial sea, internal waters, contiguous zone, exclusive economic zone, continental shelf, and historical rights.¹²⁸ A second paper reiterated China’s reasons for non-participation in the arbitration process and declared the award null and void because a third party cannot resolve a dispute such as this.¹²⁹ The third paper reiterated the Chinese position of using bilateral negotiations only with the Philippines as the proper way to resolve the dispute.¹³⁰

¹²⁶ Ministry of Foreign Affairs, PRC, “Position Paper on Jurisdiction in the South China Sea Arbitration.”

¹²⁷ Ministry of Foreign Affairs of the People’s Republic of China (PRC), “Statement of the Ministry of Foreign Affairs of the People’s Republic of China on the Award on Jurisdiction and Admissibility of the South China Sea Arbitration by the Arbitral Tribunal Established at the Request of the Republic of the Philippines,” October 29, 2015, accessed October 15, 2017, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/yzs_663350/gjlb_663354/2762_663528/2763_663530/t1310474.shtml.

¹²⁸ Ministry of Foreign Affairs, PRC “Statement of the Government of the People’s Republic of China on China’s Territorial Sovereignty and Maritime Rights and Interests in the South China Sea.”

¹²⁹ Ministry of Foreign Affairs, PRC, “Statement of the Ministry of Foreign Affairs of the People’s Republic of China on the Award of 12 July 2016 of the Arbitral Tribunal in the South China Sea Arbitration Established at the Request of the Republic of the Philippines.”

¹³⁰ Ministry of Foreign Affairs, PRC, “China Adheres to the Position of Settling Through Negotiation the Relevant Disputes Between China and the Philippines in the South China Sea.”

China's diplomatic activities have warmed since President Duterte took office in June 2016 in the Philippines, just two weeks before the arbitration award. Economic ties drive the relationship between the two countries, but also includes agreements on "regional cooperation, trade, investment, agriculture, tourism, cultural and people-to-people exchanges."¹³¹ Following the visit by Philippine President Duterte to Beijing in October of 2016, the two governments released a joint statement outlining the discussions and signed a total of 13 memorandums of understanding or agreement.¹³² In May 2017, the two countries conducted their first meeting of the Bilateral Consultation Mechanism (BCM) which is planned to occur once every six months. Following the initial meeting they agreed to address:

the importance of maintaining and promoting peace and stability, freedom of navigation in and over-flight above the South China Sea, addressing their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations by sovereign states directly concerned, in accordance with universally recognized principles of international law, including the Charter of the United Nations and the 1982 United Nations Convention on the Law of the Sea (UNCLOS).¹³³

The second BCM in February 2018 reiterated these comments.¹³⁴

¹³¹ Embassy of the Philippines, "PHL-China Relations," 7 July 2017, accessed February 25, 2018, <http://beijingpe.dfa.gov.ph/phl-china-relations>.

¹³² Ministry of Foreign Affairs, PRC, "Joint Statement of the People's Republic of China and the Republic of the Philippines," The South China Sea Issue, October 21, 2016, accessed February 20, 2018, http://www.fmprc.gov.cn/nanhai/eng/zcfg_1/t1407682.htm.

¹³³ Ministry of Foreign Affairs, PRC, "Joint Press Release of the First Meeting of the China-Philippines Bilateral Consultation Mechanism on the South China Sea," The South China Sea Issue, May, 19, 2017, accessed October 13, 2017, http://www.fmprc.gov.cn/nanhai/eng/wjbxw_1/t1463538.htm.

¹³⁴ Ministry of Foreign Affairs of the People's Republic of China (PRC), "Joint Press Release Second Meeting of China-Philippines Bilateral Consultation Mechanism

Chinese information actions concerning the Philippines and the US are very controlled, consistent, and reflects the official position of China. This strategy has several themes. First, the proper method for resolving disputed claims with the Philippines in the South China Sea is through bilateral negotiations based on earlier agreements and the Declaration on the ASEAN Conduct of Parties in the South China Sea.¹³⁵ Second, China has indisputable sovereignty over all of the islands in the SCS, to include those also claimed by the Philippines, based on over 2,000 years of Chinese history and activity. Third, the Philippines claims, in contrast, are relatively recent starting in the 1970s beginning with the “illegal” occupation of some of China’s islands.¹³⁶ Fourth, all outside parties not directly involved in the disputes, to include The Hague, have no right to intervene or contribute to the discussion.¹³⁷

Chinese officials frequently discuss each theme in public and then China state-run media such as Xinhua or the People’s Daily then amplify to the public. In general, if the subject of the SCS is brought into the discussion when any Chinese official is making public statements during bilateral meetings with foreign counterparts, during press interviews with Chinese state-run or international media, or during scheduled press

on the South China Sea,” February 13, 2018, accessed 13 February 2018, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/yzs_663350/gjlb_663354/2762_663528/2764_663532/t1534824.shtml.

¹³⁵ Ministry of Foreign Affairs, PRC, “Position Paper on Jurisdiction in the South China Sea Arbitration.”

¹³⁶ Ibid.

¹³⁷ Ministry of Foreign Affairs, PRC, “Position Paper on Jurisdiction in the South China Sea Arbitration.”

briefings at the Chinese government ministries, the message consistently highlights the position above.¹³⁸ Chinese government officials also try to avoid discussing disputes with ASEAN or at regional coordination bodies such as Asia-Pacific Economic Cooperation (APEC) because bilateral negotiations are the favored method for handling disputes.¹³⁹

China's information actions directed towards the US concerning the Philippines has several messages. Chinese officials consistently advocate for the US to play a neutral role that respects the rights of the countries directly involved in the disputes to resolve the issues bilaterally.¹⁴⁰ The US should also have no direct involvement in settling disputes between China and the Philippines.¹⁴¹ Next, the US is conducting unnecessary and dangerous activities by militarizing the SCS by increasing the capabilities of the

¹³⁸ For an example of this see *Xinhua*, "China is staunch force for peace, stability in South China Sea: ambassador," May 21, 2016, accessed March 1, 2018, http://www.xinhuanet.com/english/2016-05/21/c_135376928.htm; *People's Daily*, "'What China is doing fully within scope of our sovereignty', Ambassador Cui Talks to CNN," June 5, 2015, accessed March 1, 2018, <http://en.people.cn/n/2015/0605/c98649-8902766.html>.

¹³⁹ For an example of this see *Xinhua*, "South China Sea not a problem between China, ASEAN: FM spokesman," January 10, 2017, accessed March 1, 2018, http://www.xinhuanet.com/english/2017-01/10/c_135970911.htm.

¹⁴⁰ For an example of this see *Xinhua*, "Defence Ministry comments by US officials on South China Sea issues," July 31, 2015, accessed March 1, 2018, http://www.xinhuanet.com/english/video/2015-07/31/c_134465298.htm.

¹⁴¹ For an example of this see *Xinhua*, "US has no right to intervene in China's legitimate activities in S. China Sea: ambassador," May 4, 2015, accessed March 2, 2018, http://www.xinhuanet.com/english/2015-05/14/c_134238737.htm.

Philippines.¹⁴² Finally, the US risks destabilizing the region by conducting freedom of navigation that is designed to provoke China and could lead to conflict.¹⁴³

China's information strategy towards the Philippines also has several specific messages. First, China is committed to working with the Philippines to resolve disputes through dialogue.¹⁴⁴ Second, it is in the interest of the Philippines to resolve disputes bilaterally through diplomatic negotiations to reach a win-win solution.¹⁴⁵ Third, the Philippines broke with established protocol by taking the dispute case to the arbitral tribunal, which is also the basis for Chinese non-participation in the arbitration and nullification of the award to the Philippines.¹⁴⁶

China's use of state-run media is an essential aspect for evaluating its information actions. The Chinese government strictly controls the domestic media environment, and the three most significant outlets on television, newspaper, and online (CCTV, The

¹⁴² For an example of this see *Xinhua*, "China urges US-Philippines military cooperation not to aim at others," April 15, 2016, accessed March 1, 2018, http://www.xinhuanet.com/english/2016-04/15/c_135279555.htm.

¹⁴³ For an example of this see *Xinhua*, "China urges US to stop provocative actions," December, 19 2015, accessed March 1, 2018, http://www.xinhuanet.com/english/2015-12/19/c_134933439.htm.

¹⁴⁴ For an example of this see *Xinhua*, "China reiterates dialogue with Philippines to resolve maritime disputes," July 13, 2017, accessed March 1, 2018, http://www.xinhuanet.com/english/2017-07/13/c_136441752.htm

¹⁴⁵ For an example of this see *Xinhua*, "China calls on Philippines to properly solve maritime disputes via negotiation," July 1, 2016, accessed March 1, 2018, http://www.xinhuanet.com/english/2016-07/01/c_135482462.htm.

¹⁴⁶ *People's Daily*, "Full text: Chinese State Councilor's interview on so-called award by arbitral tribunal for South China Sea arbitration," July 15, 2016, accessed March 2, 2018, <http://en.people.cn/n3/2016/0715/c90000-9086226.html>.

People's Daily, and Xinhua, respectively) are rivaled only by other state-run outlets.¹⁴⁷ There are several functions that the Chinese state-run media conduct consistently through its English language outlets. The several state-run news outlets amplify the message by sharing the same stories, and those stories covered rarely give any space for opposing views unless to rebut in detail the claims made by foreign officials or public figures. China state-run media frequently feature foreign officials or public figures that either agree with the official Chinese position or disagree with the actions or arguments of China's opponents. Although this study does not attempt to evaluate state-run media in either the Chinese domestic environment or published in the Chinese language, an assumption is that it performs these same three functions domestically and in the Chinese language.

Internationally, China's state-run media aims to influence the 40 million Chinese expatriates through the same mediums discussed above.¹⁴⁸ Two of the goals of China's international influence through state-run media is to promote a favorable view of the Chinese government and to discredit and marginalize opponents of the Chinese government.¹⁴⁹ In America, CCTV reaches approximately 90 million households,

¹⁴⁷ *British Broadcasting Company*, "China profile-Media," March 6, 2018, accessed March 6, 2018, <http://www.bbc.com/news/world-asia-pacific-13017881>.

¹⁴⁸ Bethany Allen-Ebrahimian, "Beijing Builds Its Influence in the American Media," *Foreign Policy*, December 21, 2017, accessed March 1, 2018, <http://foreignpolicy.com/2017/12/21/one-of-americas-biggest-chinese-language-newspapers-toes-beijings-party-line-china-influence-united-front/>.

¹⁴⁹ Sarah Cook, "Chinese Government Influence on the US Media Landscape: Written Testimony by Sarah Cook" Testimony before the US-China Economic and Security Review Commission Hearing on China's Information Controls, Global Media Influence, and Cyber Warfare Strategy, May 4, 2017, 2, accessed March 2, 2018,

Chinese Radio International is active in 15 cities,¹⁵⁰ and newspapers are published in 15 cities as well.¹⁵¹ Although the impact on the perceptions of Americans appears to be marginal, China can dominate Chinese-language media, provoke self-censorship and editorial shifts of other media outlets, and impose financial troubles on other media outlets.¹⁵²

China's military ways and means relevant to its goals in the Philippines are calculated to prevent military actions from escalating to a level that would invoke a strong US response. In 2013, the Chinese government directed four of its five maritime law enforcement agencies to consolidate under the flag of the China Coast Guard (CCG).¹⁵³ The CCG is the primary military component to enforce China's maritime rights and interest in the SCS. This lightly armed force provides enough firepower and capability to achieve its objectives in the disputed waters while preventing an undesired

<https://www.uscc.gov/sites/default/files/Sarah%20Cook%20May%204th%202017%20USCC%20testimony.pdf>.

¹⁵⁰ Ibid., 4.

¹⁵¹ Allen-Ebrahimian, "Beijing Builds Its Influence in the American Media."

¹⁵² Cook, "Chinese Government Influence on the US Media Landscape: Written Testimony by Sarah Cook," 10-14.

¹⁵³ US Navy Office of Naval Intelligence, *The PLA Navy: New Capabilities and Missions for the 21st Century*, 2015, 44-45, accessed February 20, 2018, <https://fas.org/nuke/guide/china/plan-2015.pdf>.

escalation that could damage the government's peaceful narrative.¹⁵⁴ The CCG is sometimes backed up by Navy destroyers or frigates operating over the horizon.¹⁵⁵

China's Maritime Militia is another component to achieving its goals in the Philippines. The Tanmen Maritime Militia Company has been traveling to disputed islands also claimed by the Philippines since 1985 under the cover of economic activity.¹⁵⁶ This specific company played a critical role in the seizure of Scarborough Shoal in 2012 and has received recognition from numerous government officials and delegations to include President Xi Jinping for its "model" contribution in securing China's maritime interests.¹⁵⁷ With this type of quasi-military unit assisting on military objectives, China can maintain enough uncertainty to reinforce the narrative of peaceful actions:

Ambiguity surrounding the identity of fishermen-based militia is a veil of protection often exploited by the PRC as it advances its maritime claims in the South China Sea. Even with proof of a boat's connection to the militia, that force's part-time nature means that *most* of the time personnel are non-uniformed and engaged in economic production. Nevertheless, domestic Chinese-language sources sometimes reveal the true identity of the maritime militia, clarifying a fishing vessel's background. However, as the April 10, 2012 Scarborough Shoal incident makes clear, even when Tanmen fishing vessels may be operating for

¹⁵⁴ US Navy Office of Naval Intelligence, *The PLA Navy: New Capabilities and Missions for the 21st Century*, 45-46.

¹⁵⁵ *Ibid.*, 45.

¹⁵⁶ Andrew Erickson, *Model Maritime Militia: Tanmen's Leading Role in the April 2012 Scarborough Shoal Incident*, Center for International Maritime Security, April 21, 2016, accessed March 3, 2018, <http://cimsec.org/model-maritime-militia-tanmens-leading-role-april-2012-scarborough-shoal-incident/24573>.

¹⁵⁷ *Ibid.*

private gain, they can be quickly transformed into instruments of state policy when the situation calls for it.¹⁵⁸

The maritime militia is playing a critical role in achieving Chinese goals in the Philippines.

Both the CCG and Maritime Militia are used by China to secure maritime features in the SCS, some of which are being actively constructed for military purposes. In the Spratly Islands alone there are seven outposts that China is currently conducting construction, and in 2017 the outpost at Fiery Cross (figure 2) saw the most activity.¹⁵⁹ These artificial islands now have substantial and mostly complete infrastructure to support military operations of the Naval and Air Force. Among the capabilities at the 7 outposts are 3,000-meter runways (3 locations), multiple large aircraft hangers, radar and communications infrastructure, point defense weapons facilities, and underground tunnels and facilities for ammunition and other supplies.¹⁶⁰ As of May 2, 2018 “China had placed supersonic YJ-12B anti-ship cruise missiles and HQ-9B anti-air missiles on Fiery Cross, Subi, and Mischief Reefs in the Spratly Islands” giving China an offensive military capability in the Spratly Islands for the first time.¹⁶¹

¹⁵⁸ Erickson, *Model Maritime Militia: Tanmen’s Leading Role in the April 2012 Scarborough Shoal Incident*.

¹⁵⁹ Asia Maritime Transparency Initiative, “Comparing Aerial and Satellite Images of China’s Spratly Outposts,” Center for Strategic & International Studies, February 16, 2018, accessed March 3, 2018, <https://amti.csis.org/comparing-aerial-satellite-images-chinas-spratly-outposts/>.

¹⁶⁰ Ibid.

¹⁶¹ Steven Stashwick, “China Deploys Long-Range Anti-Ship and Anti-Air Missiles to Spratly Islands For First Time,” *Diplomat*, May 2, 2018, accessed May 11,



Figure 2. Fiery Cross Reef

Source: The Asia Times, “In pictures: The South China Sea reef that became an island,” January 3, 2018, accessed February 20, 2018, <http://www.atimes.com/article/pictures-south-china-sea-reef-became-island/>.

China and the Philippines lacked a military relationship from 2013 until late in 2017 when the two countries resumed strategic dialogue. During a meeting between the two chiefs of defense in October 2017, they agreed to restart military engagement through counterterrorism exercises, intelligence sharing for counterterrorism, maritime cooperation for disaster response and anti-piracy operations, and mid-grade officer exchanges.¹⁶² The only military assistance exchanged between the two countries in recent

2018, <https://thediplomat.com/2018/05/china-deploys-long-range-anti-ship-and-anti-air-missiles-to-spratly-islands-for-first-time/>.

¹⁶² Department of National Defense of the Republic of the Philippines, “Press Release: PH, China to strengthen Defense relations,” October 25, 2017, accessed March

years was two batches of military rifles and ammunition donated by China in 2017 to fight terrorism in Marawi City.¹⁶³ Before the five-year hiatus of mil-to-mil relations, the two countries held annual strategic dialogue, exercises, exchanges, and a port call of Philippine Navy vessels in Beijing.¹⁶⁴

The strength of the relationship between China and the Philippines is economic trade. China has a free trade agreement with the Philippines through ASEAN, initially signed in November 2002 and strengthened in November 2015.¹⁶⁵ China is the 3rd-largest export destination for Filipino goods and services which accounts for \$6.19B (11%) of all exports, of which approximately 70% is from the machines industry. China is the most significant exporter to the Philippines accounting for \$15.9B (20%) of all Philippine imports.¹⁶⁶

China's economic assistance during the Aquino administration (2010-2016) in the Philippines was minimal. Once in office, President Duterte secured a loan and investment

2, 2018, <http://www.dnd.gov.ph/PDF2017/DNDPR102515PHChinatostrengthendefenserelations.pdf>.

¹⁶³ Ministry of Defense of the People's Republic of China, "China donates second batch of military equipment to Philippines to fight terrorists," October 5 2017, accessed February 15, 2018, http://eng.mod.gov.cn/news/2017-10/06/content_4794032.htm.

¹⁶⁴ Prashanth Parameswaran, "What's with the 'Revival' of the China-Philippines Military Dialogue?" *Diplomat*, December 19, 2017, accessed March 1 2018, <https://thediplomat.com/2017/12/whats-with-the-revival-of-the-china-philippines-military-dialogue/>.

¹⁶⁵ Association of Southeast Asian Nations, "ASEAN–China Free Trade Agreements," accessed March 4, 2018, http://asean.org/?static_post=asean-china-free-trade-area-2.

¹⁶⁶ Simoes, "The Observatory of Economic Complexity—Philippines."

package through the Chinese government that includes \$9B in infrastructure development loans and \$15B in company-to-company investment for a total of \$24B.¹⁶⁷ Other economic assistance from China includes a donation of \$3M in heavy equipment to rebuild the city of Marawi following the siege by Islamic State-inspired militant,¹⁶⁸ as well as constructing two drug rehab centers.¹⁶⁹

The Chinese strategy for meeting its goals in the Philippines is very successful in the short-run and is nested quite nicely for long-run success as well. China's current strategy is getting everything it needs in the short-run: stability for continued economic growth, bilateral dispute resolution, and minimal interference from America. The most significant challenges China faces in the short-run are adjusting to any change in strategy on the US side under the Trump administration, and maintaining momentum with the next Philippine President when Duterte's single six-year term is over in 2022. The loan and investment package to the Philippines at worst buys more time, which is very much in China's favor, and at best is the starting point of a deteriorating ally relationship between the US and the Philippines. The willingness of the Duterte administration to cease pursuit to enforce the landmark ruling from the arbitral tribunal to instead agree to

¹⁶⁷ Department of Finance of the Republic of the Philippines, "\$33B in investment & aid pledged by China, Japan is highest for PHL," January 16, 2017, accessed March 5, 2018, <https://www.dof.gov.ph/index.php/33b-in-investment-aid-pledged-by-china-japan-is-highest-for-phl/>.

¹⁶⁸ Embassy of the People's Republic of China in the Republic of the Philippines, "China Donates Heavy Equipment for Marawi Rehabilitation," accessed March 5, 2018, <http://ph.china-embassy.org/eng/zfgx/jmgx/t1505183.htm>.

¹⁶⁹ Embassy of the People's Republic of China in the Republic of the Philippines, "The Second Rehab Center Aided by China's Grant Breaks Ground in Agusan del Sur," accessed March 5, 2018, <http://ph.china-embassy.org/eng/zfgx/jmgx/t1535185.htm>.

bilateral negotiations significantly improves China's position going forward with other countries. China was able to ignore an international legal challenge and continue its path to literally cementing its hold with now offensive cruise missile systems in the South China Sea without a hard response from the US or international community. China clearly has strategic momentum.

For this strategy to be successful in the long-run, China needs for the current strategic environment to continue. China can afford to be patient in the long-run since six years of a Duterte administration looks to improve China's negotiating position significantly. The next Philippine president will have far less leverage than Duterte had at the beginning of his administration in 2016, and China will more than likely have all current construction projects in the Spratly Islands complete. The key for China concerning other disputes will be persuading Vietnam or Malaysia to follow the path of Manila and negotiate bilaterally where China has its most leverage. America can continue conducting freedom of navigation operations to dispute the legality of China's claims without serious threat to China. If the other parties to the disputes in the South China Sea agree to China's terms, Beijing looks poised to have a strong position for its absolute claims of territorial sea, contiguous zone, and exclusive economic zone.

The most important strength of the Chinese strategy is the ability to keep time in China's favor which allows for flexibility and effective risk calculation. This strategy is structured for the long-run and assumes that Chinese officials will continue as long as it takes regardless of who is leading the Chinese Communist Party. The strategy effectively coordinates the elements of national power and also accounts for challenges and opportunities that arise from changing administrations in America and the Philippines.

For six years relations with the Philippines were strained under the Aquino administration, and China was still able to advance towards its goals without invoking a more forceful response. Now that relations are warmer under the Duterte administration, China is maximizing the opportunity to finish construction in the Spratly Islands and negotiate bilaterally to settle disputes. China can also afford to wait out a Trump administration in America that unilaterally takes economic action directed at China.

This strategy is very promising for China in the long-run, but not entirely foolproof. Although time is clearly on China's side, the White House has shifted its rhetoric towards China and was beginning to roll out economic actions directed at China at the time of this writing. The incoming US Secretary of State, Michael R. Pompeo, looks to advocate for a much tougher line on China. Some notable western media sources that once fully supported cooperation and integration of China into the international system have also reversed their position due to China's ability to exploit and abuse that system for its benefit.¹⁷⁰ China's decision makers are wise enough to understand the value of strategic patience and will avoid overreacting in-kind to American unilateral economic actions unless they feel they have built enough national power to be more assertive.

¹⁷⁰ *The Economist*, "How the West got China wrong: Decades of optimism about China's rise have been discarded," March 1, 2018, accessed March 3, 2018, <https://www.economist.com/news/briefing/21737558-clear-thinking-and-united-front-are-needed-they-may-not-be-forthcoming-decades>.

The Philippines Ways and Means by Exception

This section will cover the ways and means used by the Philippines to achieve its goals concerning the US and China. Although the format will follow the same DIME structure as the previous two sections, Philippine ways and means will only discuss exceptional information that the previous two sections did not include.

The previous two sections already discussed much of the diplomatic ways and means used by the Philippines, but there are several topics to highlight. First, concerning the Mutual Defense Treaty with the US, former Philippine President Aquino sought US support to defend the Scarborough Shoal if China starts developing the reef.¹⁷¹ Second, the Aquino administration's intent of the EDCA with the US was to deter further Chinese aggression in the South China Sea.¹⁷²

Philippine information actions concerning the US and China can be classified as chaotic. As for where the US and China both appear to have very disciplined strategic communications that are used by officials throughout the government, the Philippines is much less coordinated between different departments, let alone between different administrations. One theme that is stressed by current Philippine President Rodrigo Duterte is that he wants to pursue an independent foreign policy that will better balance

¹⁷¹ Javier Hernandez, "Benigno Aquino Says US Must Act if China Moves on Reef in South China Sea," *New York Times*, May 19, 2016, accessed March 5, 2018, <https://www.nytimes.com/2016/05/20/world/asia/benigno-aquino-philippines-south-china-sea.html>.

¹⁷² Renato Cruz De Castro, "The Duterte Administration's Foreign Policy: Unravelling the Aquino Administration's Balancing Agenda on an Emergent China," *Journal of Current Southeast Asian Affairs*, 35, no. 3. (2016): 141-146.

relationships with China and America.¹⁷³ How his administration pursues that policy through the use of an information strategy is very difficult to determine, but has nonetheless been useful for Duterte domestically. Public support for Duterte has been steady, and Filipinos have significantly warmed to the idea of closer cooperation with China while at the same time have cooled considerably on their views of America under the Trump administration.¹⁷⁴

The most extreme example of these chaotic information actions under the current administration is when President Duterte announced his separation from America and subsequent alignment with China, only to walk back the comments in the following days.¹⁷⁵ Another example that seems typical of Philippine information actions deals with President Duterte publicly permitting China to research Benham Rise, but neither the DFA nor the DND were aware of any agreements with China to conduct the activities.¹⁷⁶

¹⁷³ Jose Romero Jr, "Independent foreign policy defined," *Manila Times*, June 23, 2017, accessed March 6, 2018, <http://www.manilatimes.net/independent-foreign-policy-defined/334520/>.

¹⁷⁴ Jacob Poushter and Caldwell Bishop, "People in the Philippines Still Favor U.S. Over China, but Gap Is Narrowing," Pew Research Center, September 21, 2017, accessed March 30, 2018, <http://www.pewglobal.org/2017/09/21/people-in-the-philippines-still-favor-u-s-over-china-but-gap-is-narrowing/>.

¹⁷⁵ Emily Rauhala, "Philippines' Duterte called for a 'separation' from the US: He is now backtracking," *Washington Post*, October 21, 2016, accessed March 6, 2018, https://www.washingtonpost.com/news/worldviews/wp/2016/10/21/the-backtracking-begins-duterte-ally-softens-philippines-separation-from-u-s/?utm_term=.f524269e3592.

¹⁷⁶ Catherine Valentine, "Palace, DFA, DND differ over Benham," *Manila Times*, March 17, 2017, accessed March 6, 2018, <http://www.manilatimes.net/palace-dfa-dnd-differ-benham/317633/>.

The only things that seem consistent with Philippine information actions are a general openness towards China and a general skepticism towards America.

Some key messages that President Duterte has used with respect towards the US are important. He likes to highlight the lack of support that America has given to the Philippines over the course of the allied relationship lasting almost 70 years which has resulted in the Philippines receiving no new equipment, only “hand-me-downs,” to handle the situation in the SCS.¹⁷⁷ Duterte also complains in public about America’s commitment to the Philippines based on the idea that if America were serious about the Philippines, something would have been done long ago to alter China’s actions in the region.¹⁷⁸ Duterte has also signaled that he wants to scale back military exercises with America out of his contempt for the mutual defense treaty.¹⁷⁹ Duterte’s cabinet rarely attempts to copy his firebrand style of public communication, and instead, his secretaries are frequently caught off guard when asked to respond to his comments or vice versa.¹⁸⁰

The Philippines messages towards China under the Duterte administration demonstrate an openness to working closely together on some issues. First, Philippine

¹⁷⁷ Jeffrey Ordaniel, “PacNet #30-Dealing with Duterte’s Philippines,” Center for Strategic and International Studies, April 4, 2017, accessed March 6, 2018, <https://www.csis.org/analysis/pacnet-30-dealing-dutertes-philippines>.

¹⁷⁸ Ibid.

¹⁷⁹ *Reuters*, “US, Philippines scale back next month’s military drills, no more ‘war games,’” April 24, 2017, accessed March 6, 2018, <https://www.reuters.com/article/us-philippines-usa-defence/u-s-philippines-scale-back-next-months-military-drills-no-more-war-games-idUSKBN17Q120>.

¹⁸⁰ Llanesca Panti, “Military confirms asking US for help,” *Manila Times*, June 12, 2017, accessed March 6, 2018, <http://www.manilatimes.net/military-confirms-asking-us-help/332302/>.

officials want to conduct joint exploration with China of resources in some of the disputed areas of the SCS.¹⁸¹ The Duterte administration is keen to find peaceful ways to resolve disputes with China by developing bilateral mechanisms through strategic dialogue.¹⁸² These information actions are very different from what the Aquino administration used.

As mentioned above, relations were strained with China under the Aquino administration in the Philippines. Also, relations during this period between the US and the Philippines were arguably at a high mark, and the information actions reflected that environment. President Duterte's friendly rhetoric towards China contrasts with his predecessor, President Aquino, who once compared China's aggressiveness in the SCS to Nazi Germany under Hitler.¹⁸³ Similarly, Duterte's negative rhetoric towards America mentioned above also stands in contrast to Aquino who considered relations with America to be "vital."¹⁸⁴

¹⁸¹ Patricia Lourdes Viray, "Philippines 'aggressively' pursuing joint exploration in South China Sea," *Philippine Star*, February 16, 2018, accessed March 6, 2018, <https://www.philstar.com/headlines/2018/02/16/1788467/philippines-aggressively-pursuing-joint-exploration-south-china-sea>.

¹⁸² Jefferson Antiporda, "PH to explore peaceful solution to sea disputes," *Manila Times*, May 22, 2017, accessed March 7, 2018, <http://www.manilatimes.net/ph-explore-peaceful-solution-sea-disputes/328519/>.

¹⁸³ Kiyoshi Takenaka, "Philippine's Aquino revives comparison between China and Nazi Germany," *Reuters*, June 23, 2015, accessed March 6, 2018, <https://www.reuters.com/article/us-japan-philippines/philippines-aquino-revives-comparison-between-china-and-nazi-germany-idUSKBN0OJ0OY20150603>.

¹⁸⁴ Council on Foreign Relations, "A Conversation with Benigno S. Aquino III," September 23, 2010, accessed March 8, 2018, <https://www.cfr.org/event/conversation-benigno-s-aquino-iii-0>.

The previous sections already covered both the military and economic ways and means of the Philippines concerning the US and China. The Philippines has a close and robust relationship with America in both of these areas, although the current Philippine president has signaled scaling back on military exercises. The economic relationship between the Philippines and China is also healthy, but the military relationship is still new and undeveloped.

An assessment of the Philippine strategy suggests that President Duterte's shift to seek closer relations with China can be successful in the short-run to achieve the country's inferred goals as described earlier in this chapter, but the long-run is less appealing. China is very eager to chisel away at the strong relationship the Philippines has with America. The US already invests more economic and military assistance in the Philippines than any other country in Asia,¹⁸⁵ and President Duterte appears to have calculated that the US will avoid the risk of further deteriorating the relationship by scaling back through hasty decisions. By diversifying alliances, the Philippines can have both the US and China compete for attention in the short-run. With America, Duterte is "wagging the dog" because the US needs a friend in Manila more than Manila needs America. With China, however, this gamble comes with some high risks in the long-run.

Unless the Philippines is willing to make enormous concessions to China's claims in the SCS, this strategy has little upside in the long-run. China's economic and military trajectory will continue to increase the overall power China holds over the Philippines' already weak position. China's claims in the SCS are absolute, and Manila will have less

¹⁸⁵ USAID, "Foreign Aid Explorer-Philippines."

leverage in future bilateral negotiations to come to a more satisfactory resolution. The Philippines, based on its award from the arbitral tribunal, has a relatively strong position to continue challenging China's claims to seek a more favorable outcome as compared to other countries in the region. By giving this up to negotiate based on China's terms, Duterte's actions reduce the ability of other ASEAN countries to challenge China with their disputes significantly. Malaysia, Vietnam, and others will see little potential to use the international courts, as did the Philippines, as a viable way to challenge China, making bilateral negotiations under China's terms much more likely for the region. China is very consistent in demanding bilateral negotiations to solve disputes, and each country that agrees to this method further undermines the existing system of international law that the Philippines once viewed as legitimate.

The primary strength of the Philippine strategy lies in its use of information actions to get two more powerful countries to compete against each other to the benefit of the Philippines. President Duterte may appear erratic to some given his choice of words and less-than-diplomatic approach to foreign relations, but this approach has worked very well to reach his goals. On the one hand, he has to convince China that there is indeed an opportunity to work together despite the American-Philippine alliance, which he seems to have achieved early on by announcing his break regardless if it was true or not. On the other hand, he needs to communicate a legitimate grievance with America. He has done this effectively by explaining his view that America will not fight with the Philippines for the disputed islands, America failed to help the Philippines develop its capability to defend in the SCS, and, therefore, America is not serious about the threat of China in the region.

The second strength of this strategy is it allows the Philippines the ability to take a wait-and-see approach to determine how much the security environment has shifted in China's favor over America. With all of his rhetoric, President Duterte has not made any significant changes to the foundation of the relationship between his country and America. The mutual defense treaty, trade relations, and EDCA, all still stand. China sees an opportunity to get a foot in the door, so to speak, and is building the infrastructure for a closer relationship. Duterte is postured quite nicely to make a move in either direction depending on which way looks the most promising.

The weaknesses of this strategy are long-run based and deal with the deteriorating amount of leverage the Philippines has in negotiating with China. Duterte has given up, at least temporarily, arguably his most crucial leverage point: the ability to settle disputes by involving third parties. Without the award of the arbitral tribunal, the Philippines has very little to hold over China to reach a more desired outcome. Manila's best alternative to reaching an agreement with China is waiting for the environment to improve, which takes precious time that is apparently in China's favor. America's power in the region is heavily dependent on alliances, but it is difficult to picture the US-Philippine ally relationship lasting in the long-run if Manila continues to drift into China's orbit willingly.

Risk Analysis

This section examines the risk to US interests using the Joint Risk Analysis Methodology (JRAM). This section uses steps 1-3 of the JRAM. Step 4 of the JRAM is discussed later in Chapter 5 in the "recommendations" section. The first part of this section will analyze which US interests may be vulnerable under the current strategy and

which Chinese actions threaten those interests. The second part of this section will apply the JRAM to appraise and communicate the current level of risk and what is an acceptable level of risk.

Is the US strategy adequate in the Philippines?

To determine if the US strategy in the Philippines is adequate, a review of those interests in no particular order is helpful. Interest 1: The US has an interest to uphold its obligation to protect its ally in the Philippines based on the mutual defense treaty. Interest 2: America has an interest in ensuring all countries—China and the Philippines included—respect international law. Interest 3: America has an interest in keeping the trade route through the South China Sea open and accessible so global trade can continue. Interest 4: The US also has an interest in maintaining military access in the SCS to provide a deterrence to any country that may seek to change the balance of power in the region through force or coercion. Interest 5: The US has an interest in protecting and responding to the needs of roughly 220,000 American citizens that live in the Philippines. Interest 6: The US has an interest in preventing an ascending regional hegemony in the Asia-Pacific region that would seek to alter the current international order significantly. A closer look at each of these six interests is in order.

Interest 1: Uphold the obligation to protect the US ally in the Philippines based on the mutual defense treaty. The Philippines has not been attacked by an enemy, or by China in this case, in its most traditional sense and the American position is to remain a neutral party to maritime disputes as long as all countries follow international law. The US, however, has not improved the Philippines' capabilities enough to deter China's actions in the SCS. Furthermore, the US appears unwilling to take action alongside the

Philippines that would create an effective deterrence against China's actions. The current Philippine President now questions the usefulness of the relationship with America based on his claims that America is not serious about deterring China in the SCS. This study finds that this national interest is vulnerable to China's increased friendly relationship with the Philippines.

Cooperation between all three countries should be encouraged and sought after, but the current situation looks to be zero-sum, and any gain for China is a loss for America. President Duterte signals that he wants to reduce the size and scope of military exercises with America, while China looks to expand military exercises and training. The Philippines was set to receive a second round of economic assistance through the Millennium Challenge Corporation, but the Philippines declined and instead took a loan and investment package from China. Although this situation is also due to the current Philippine President, China is all too pleased to fill gaps that were once being filled by America. China's actions here directly threaten Interest 1.

Interest 2: Ensure all countries, China and the Philippines included, respect international law. From the outset of the arbitration case filed by the Philippines in 2013, China refused to participate and continuously declared the entire process null and void. After the tribunal awarded the case in the Philippines' favor, China again declared the process null and void, all without a meaningful response by America. Now with President Duterte in office in the Philippines, China has successfully persuaded him to stop pursuing enforcement of the award from arbitration in favor of bilateral negotiations on China's terms. This study finds that this national interest is vulnerable.

America and the West provided China an opportunity over the past several decades to prosper and even lead within the existing order, but China's actions demonstrate that it is only willing to adhere to favorable rules and will change the system to its benefit when convenient. This is the definition of "might makes right" and, if left completely unchecked, threatens to destabilize the existing international order further. The Philippines appears convinced that US rhetoric on the matter has no teeth, and therefore has elected to negotiate under China's terms. The precedent these actions set increases the likelihood that China will continue to push other countries to follow this same path. These actions by China directly threaten Interest 2.

Interest 3: Keep the trade route through the SCS open and accessible so global trade can continue. The US strategy for protecting this interest has been adequate. China and the Philippines have not made any attempts to alter the flow of global trade that passes through the SCS. This study finds no evidence that American presence is less than adequate to ensure this vital waterway remains open.

Interest 4: Maintain military access in the SCS to provide deterrence. The US strategy for deterring aggression in the SCS through military presence is mixed. The region has remained relatively stable and peaceful, and China has taken only limited violent military action against the Philippines specifically. This strategy, however, has not deterred China from building artificial islands in disputed waters for military purposes, and most recently deployed offensive cruise missiles and air defense capabilities to three of the sites. The pace of China's construction activities in the Spratly Islands is impressive. The most forceful US response to these activities has been freedom of navigation operations which are legal operations conducted by the military. These

operations, however, have made no meaningful impact to deter China from developing these islands. This study finds that this national interest is vulnerable.

Chinese actions against this interest are closely linked to its actions to disregard international law but are distinct enough to analyze separately. China is quickly creating a situation of de facto control of its holdings in the Spratly Islands and SCS. There comes the point when no country can any longer dispute with much credibility that an island does not, in fact, belong to China. China's argument for territorial sea, contiguous zone, and EEZ that encompasses the entirety of the SCS becomes much stronger with each construction project complete. These actions by China directly threaten this interest.

Interest 5: Protect and respond to the needs of roughly 220,000 American citizens that live in the Philippines. The US strategy for protecting this interest has been adequate. This study finds no evidence that America under its current posture falls short in a way that puts American citizens at unnecessary risk.

Interest 6: Prevent an ascending regional hegemony in the Asia-Pacific region that would seek to alter the current international order significantly. This interest links to the so-called American grand strategy. The Philippines is one of three countries in Asia with a bilateral treaty and is vital to America for maintaining access and influence in the region. China has persuaded the Philippines to discontinue pursuit of enforcement of its award on the SCS arbitration ruling in favor of bilateral negotiations between only those two countries. If China can now convince the Philippines to recognize its maritime claims through bilateral negotiation, this will be another strike against respect for international law and other countries will have much less leverage in their disputes. China will make

another notable step towards establishing de facto control of the SCS and expanding its territorial sea, contiguous zone, and exclusive economic zone.

China's actions here connect to its grand strategy to establish regional dominance and remove American influence in the Asia-Pacific region. China's aggressive actions to forcefully secure maritime interests indicates that the country will use power over weaker countries when necessary. China's disregard for international law in favor of establishing its way to manage disputes suggests that China will attempt to alter the established system for its benefit and detriment of other weaker countries. These actions directly threaten Interest 6.

Of the six national interests evaluated, four have been determined to be vulnerable under the current US strategy. Chinese actions directly threaten these same four interests. The next part will use the JRAM to appraise the risk America is assuming under the current strategy.

The first step in the JRAM is to frame the problem. This study uses national interests as the thing of value that is at risk, and then determines the strength of each of the national interests involved in order set the proper context of the risk appraisal. To complete this step the "strength of national interest" table will be used from the "strategic risk tables" (table 2). The scale used ranges from 1-4 in the order of "low," "moderate," "strong," and "premier."

Table 2. Strategic Risk Tables

Probability of event (P)	Consequence of event (C)	Strength of national interests (SOI)
Highly unlikely: 0-20%	Limited: Confined, short-term damage to interests	4-Premier: Impacts homeland, vital interests
Unlikely: 21-50%	Major: Considerable, mid-term damage to interests	3-Strong: Impacts key global systems or allies
Likely: 51-80%	Catastrophic: High order, long-term damage to interests	2-Moderate: Impacts key partners, regional interests
Very likely: 81-100%	Existential: Permanent destruction relative to interests	1-Low: Impacts "others," local interests

Source: Created by author using data from Office of the United States Chairman of the Joint Chiefs of Staff, Chairman of the Joint Chiefs of Staff Manual 3105.01, *Joint Risk Analysis* (Washington, DC: Government Publishing Office, October 14, 2016), C-4.

Interest 1: Uphold the obligation to protect the US ally in the Philippines based on the mutual defense treaty is given a score of “strong 3” because it impacts a US ally.

Interest 2: Ensure all countries, China and the Philippines included, respect international law is given a score of “strong 3” because it impacts a key global system. Interest 4:

Maintain military access in the SCS to provide a deterrence is given a score of “moderate 2” because it impacts regional interests. Interest 6: Prevent an ascending regional

hegemony in the Asia-Pacific region that would seek to alter the current international order significantly is given a score of “strong 3” because it impacts multiple US allies in the region.

Next, the probability of an event occurring and the consequences of that event are assessed for each interest. To make this assessment the “strategic risk matrix” example

from CJCSM 3105.01 (table 3) will be used to compare and match similar consequences examples with the assessed likelihood of such an event occurring. The evidence found in this study helps to make these assessments and explain the sources and drivers of risk.

Table 3. Strategic Risk Matrix Examples

		Hazard Estimate (Consequence based of damage to interests, time, resiliency) (With illustrative exemplars)			
		Limited (1) Minor damage to interests and/or short-term impacts	Major (2) Moderate damage to interests, and/or mid-term impacts	Catastrophic (3) Major damage to interests and/or long-term impacts	Existential (4) Extreme damage to interests and/or permanent destruction of defining system
Enduring National Interest	Strength of Interest				
The security of the US, its population, civil society, allies, and partners	HLD/vital-4	-Small scale contingency ops (NEO, HA/DR) -Tactical terror attack (lone wolf) -Minor domestic civil disturbance -American hostages	-Minor armed conflict -Operational terror attack -Loss of ally or partner -Rise of regional hegemony -Isolated attack of US business or embassy	-Theater war or major armed conflict -Strategic terror attack (9/11) -Invasion or loss of major ally or partner -Regional security organization (NATO) breakup	-Nuclear war (US or allies) -WMD terror attack -Domestic rebellion -Pandemic or natural disaster that threatens US existence
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				
Security of the US economy & global economic systems	HLD/vital-4	-Limited trade, financial, or resource interruption -Limited interference in critical infrastructure -Change in currency standard -Minor cyber compromise	-Extended trade, financial, or resource interruption -US recession -Extended interference in critical infrastructure	-Financial failure of major institution or market -Major degradation critical infrastructure -Access to global domain(s) disrupted by adversary	-Global of US economic collapse -Closed economic system -Seizure of US business/industry -Access to global domain(s) denied by adversary
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				
Preservation and extension of universal values	HLD/vital-4	-Local atrocities -Imposition of martial law by ally or partner -Democratic regression of ally or partner	-Mass atrocity -Democratic regression of key ally or partner -Local imposition of alternative value system	-Genocide (Holocaust) -Regional imposition of alternative value system -Emergence of powerful totalitarian nation	-Global imposition of alternative value system
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				
Advancing and maintaining US-led international order	HLD/vital-4	-Local or state order undermined or replaced by alternative system neutral or antagonistic to US (sets bad precedent)	-Regional order undermined or replaced by alternative system neutral or antagonistic to US	-Elements of international order undermined or replaced by alternative system neutral or antagonistic to US	-US order replaced in total by alternative system hostile to current US system
	Global system/ally-3				
	Partner/regiona-2				
	Other/local-1				

Source: Created by author using data from Office of the United States Chairman of the Joint Chiefs of Staff, Chairman of the Joint Chiefs of Staff Manual 3105.01 *Joint Risk Analysis* (Washington, DC: Government Publishing Office, October 14, 2016), C-5. Highlights to examples added by the author. Some examples were omitted.

Interest 1 scores a “catastrophic 3” for hazard estimate of the consequence “invasion or loss of major ally or partner,” because the Philippines is a major non-NATO ally. The probability is “highly unlikely” based on evidence that suggests President Duterte alone does not have the power to end the ally relationship. The source of this risk is a combination of Duterte’s anti-American rhetoric and desire to end the mutual defense treaty, combined with China’s eagerness to fill gaps in the Philippines that Duterte

creates by scaling back the relationship with America. The drivers of this risk are the perception of President Duterte that America is neglecting the allied relationship, American unwillingness to adequately meet President Duterte's expectations, as well as persistent Chinese actions to present a viable alternative for the Philippines that appears to be zero-sum concerning America and China.

Interest 2 is given a hazard estimate score somewhere in the middle of "major 2" to "catastrophic 3" because China's actions are currently only regionally focused, but the actions do, in fact, undermine elements of the global international order with a threat to the respect for international law. The probability of future actions by China on the same scale and scope is "likely" based on evidence that suggests China seeks to handle all future disputes with other countries in the same manner as is being pushed with the Philippines. The sources of this risk are China's relative power within the international system and willingness to exercise that power over the Philippines. The drivers of this risk are China's consistent demands to establish an alternative dispute process, the potential for disputes with other countries to be handled similarly, and the unwillingness of the US or another international player to enforce the traditional system.

Interest 4 receives a hazard estimate score of "major 2" for the consequence of "rise of a regional hegemon" based on evidence that suggests China military construction in the SCS significantly strengthens its de facto control of the region. A probability score of "likely" is given based on evidence that suggests China will continue this strategy for the foreseeable future and neither the US or Philippines are willing or able to deter future similar Chinese aggression. The sources of this risk are China's industrial capacity and willingness to build military maritime outposts throughout the region. The drivers of this

risk are the actions of other countries to include the Philippines to build similar infrastructure, China's perceptions of American aggression in the region, and the inability or unwillingness of America and the Philippines to provide adequate deterrence.

Interest 6 receives two separate hazard estimate scores of "major 2" and "catastrophic 3" for the consequence of "rise of a regional hegemon" and "elements of international order undermined." China's actions that threaten the other three interests is the basis for this assessment. All of these actions described above are coordinated to achieve China's overall goal for the region to establish regional dominance by reducing US influence. The probability of this event continuing is "likely" based on similar evidence for interest 4 that China will continue this strategy for the foreseeable future, and neither the US or Philippines are willing or able to deter future similar Chinese aggression. The sources of this risk are Chinese desire, capacity, and willingness to establish regional dominance. The drivers of this risk are the inability of China and America to trust each other and prioritize cooperation over competition, the inability of the US to unilaterally slow or alter China's behavior, and continued upward trend of China's relative power across the DIME. Another significant driver of this risk is the lengthy timeline this event will occur as compared to other interests.

The next step in the risk analysis process is to conduct risk judgment to characterize and evaluate the level of risk. This process characterizes risk by plotting the assessments made on the risk contour graph where risk is a function of the probability and the consequence ($\text{risk} = f(P, C)$) (figure 3). Interest 1 receives a "moderate risk" level. Interests 2 and 6 are both mostly a "significant risk" level of risk but range from

“moderate risk” into “high risk” due to the complexity of those interests. Interest 4 is split evenly between “moderate risk” to “significant risk.”

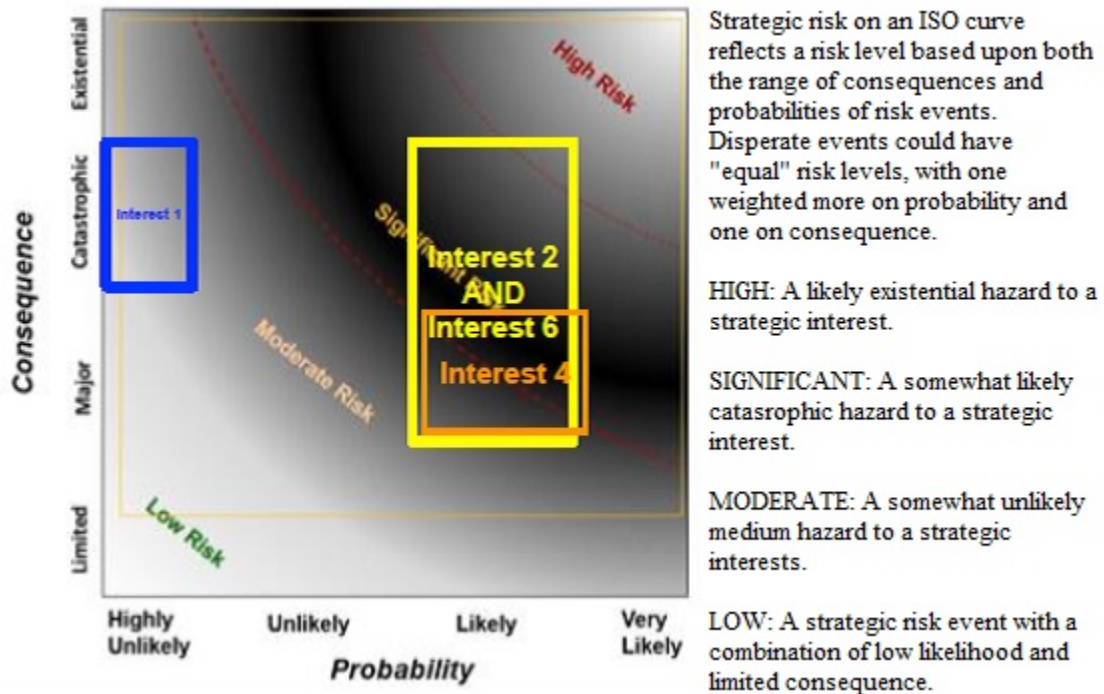


Figure 3. Strategic Risk to US Interests From Chinese Actions

Source: Office of the United States Chairman of the Joint Chiefs of Staff, Chairman of the Joint Chiefs of Staff Manual 3105.01, *Joint Risk Analysis* (Washington, DC: Government Publishing Office, October 14, 2016) C-4. Interests plotted were added by the author.

Table 4 is a summary of the results of steps 1-3 in the risk analysis process.

Interests 1, 2, and 6 are all higher priorities than 4 due to the strength of interests.

Interests 2 and 6 should be given priority over interest 4 because of the current level of risk against those two interests. Interest 6 is currently under threat from multiple Chinese

actions and has a much longer timeline than interest 2, and therefore interest 2 should be given the highest priority of the group.

Table 4. Strategic Risk Matrix for Risk to US Interests from Chinese Actions

National interest	Strength of interest	Hazard Estimate				Probability	Risk to Interest
		Limited (1)	Major (2)	Catastrophic (3)	Existential (4)		
Interest 2	Strong (3)		X	X		Likely	SIGNIFICANT
Interest 6	Strong (3)		X	X		Likely	SIGNIFICANT
Interest 1	Strong (3)			X		Highly unlikely	MODERATE
Interest 4	Moderate (2)		X			Likely	MODERATE TO SIGNIFICANT

Source: Created by author.

The final step in risk analysis is to conduct risk judgment to determine if the assessed level of risk against each of the four evaluated interests is acceptable or not. This decision is tough to make under the limitations of the study to only consider US strategy to protect national interests from the threat of China’s actions in the Philippines. The goals and methods for attaining those goals connect to other countries that this study excluded inextricably. It is with that understanding that each assessed judgment will require much more analysis and study to determine the appropriate action.

In order of suggested priority: Risk to interest 2 is an unacceptable level of risk and actions should be taken to reduce the overall level of risk. US responses to China’s disregard for international law have not made any meaningful impact. The risk to interest 6 is acceptable at this time because of the extended timeline, but the current situation is quickly trending downward. The risk to interest 1 is also acceptable at this time because

the overall level of risk is moderate and it takes more than a single President in the Philippines to break an ally relationship. The risk to interest 4 is also acceptable because this interest closely connects with interest 2 and it is possible to observe indirect effects from direct actions taken to protect interest 2.

The current US strategy to protect strategic interests in the Philippines from the threat of China's actions is inadequate. Three specific actions from China threaten US strategic interests at a significant level of risk, and risk to at least one of these interests is unacceptable.

Chapter Summary and Conclusion

The purpose of this chapter was to provide analysis on the strategy of the three countries for blending the elements of national power to reach national objectives. The first section covered the goals of each country based on official documents and written analysis of each country. The second section analyzed the ways and means of the US across each of the four elements of national power, as well as an assessment of how effective that strategy has been at reaching national goals. Section three analyzed China's ways and means in the same method as described above. The fourth section analyzed the Philippines' ways and means, but only covered information that previous sections already covered. The final section evaluated the risk associated with the current US strategy to protect its national interests. The next chapter will cover the conclusions and recommendations of this study for future action.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

Chapter Introduction

The question ultimately comes down to what the United States and China can realistically ask of each other. An explicit America project to organize Asia on the basis of containing China or creating a bloc of democratic states for an ideological crusade is unlikely to succeed—in part because China is an indispensable trading partner for most of its neighbors. By the same token, a Chinese attempt to exclude America from Asian economic and security affairs will similarly meet serious resistance from almost all other Asian states, which fear the consequences of a region dominated by a single power . . . The United States and China owe it to their people and to the global well-being to make the attempt. Each power is too big to be dominated by the other. Therefore neither is capable of defining the terms for victory in a war or in a Cold War type of conflict.

—Henry Kissinger, *On China*

The purpose of this chapter is to provide the conclusions from the analysis conducted in chapter 4, provide answers to the remaining research questions, and provide recommendations for future action and study. This chapter has two main sections. The first section will provide conclusions on where the goals of the three countries align and where they conflict, as well as describe the level of risk the US is assuming under its current strategy. The second section will provide specific recommendations for adjusting the US strategy to protect strategic interests better and for conducting a similar study of the other countries in the SCS and ASEAN.

Conclusions

Where do the Goals of the Three Countries Align?

There are two main areas where the goals of all three countries align, and there is an opportunity for a win-win-win situation. The first area is all three countries have a

vested interest in is maintaining regional stability. US officials and documents frequently highlight the benefits the world and America have experienced from supporting a relatively peaceful Asia-Pacific region since the end of World War II. Stability in the region is arguably the top priority for China because it allows for continued economic activity that slowly increases its power. Chinese officials continuously talk about the need to resolve disputes peacefully in a manner that is respected by all parties directly involved. The Philippines has the most to lose if the situation becomes increasingly violent. China can forcefully secure its maritime claims over the Philippines with a lightly armed force which demonstrates the weak position of the Philippines. Regional stability is important enough to all three countries that continued cooperation is expected in the future.

The second area where the goals align is maintaining economic activity throughout the region. The economies of all three countries are well-integrated as China and the US are both top trade partners with the Philippines. All three countries want maritime trade routes to remain open and unaffected by the aggressive actions of any country that could threaten the status quo. The SCS is one of the busiest sea lanes in the world, and all three countries have much to lose if trade is disrupted. Officials and documents from each country highlight the importance of this economic center of gravity. This area is one that all three countries will be eager to cooperate in the future.

Where do the Goals of the Three Countries Conflict?

There are three important areas where the goals of the countries involved conflict. The first area is where goals conflict is between the US and China concerning international law. Both countries frequently highlight the importance of respect for

international law, but there are apparent differences in how the two countries define the international law. The US believes that the Permanent Court of Arbitration at The Hague held the proper authority to handle the case between the Philippines and China and was, therefore, the appropriate method for resolving the dispute. China, however, believes that no third party, to include the Permanent Court of Arbitration at The Hague, has the authority to resolve such disputes between countries. China believes these disputes must be handled through bilateral negotiations between the countries directly involved despite the fact that the US, Philippines, and the court itself (which has existed since 1899)¹⁸⁶ all held the position that the court did have jurisdiction to handle the dispute. The difference in how China and the US define “international law” will continue to spark conflicts between the countries in the future.

The second area where the goals conflict is between the US and Philippines concerning the protection of allies. US officials consistently highlight the “ironclad” commitment of the US to its ally in the Philippines, but it appears that the Philippine mood has started to shift on accepting this rhetoric as fact. The US has not prepared the Philippines to deter China from its aggressive actions in the disputed waters. The US also appears unwilling to back up that rhetoric with credible action alongside the Philippines to that same effect. Furthermore, the position of America to remain a neutral party in these types of disputes has sent conflicting messages to its ally, and the current Philippine President is exploiting this position to serve his domestic political goals. This study finds that US-Philippines relations will continue to be strained through 2022 while Duterte is

¹⁸⁶ The Permanent Court of Arbitration, “About Us,” accessed March 24, 2018, <https://pca-cpa.org/en/about/>.

still in office, but the future is very unclear and depends on Filipino public support for the US which is strong albeit trending downward.

The third area where the goals of the countries involved conflict is the ongoing competition between the US and China for regional dominance. Both countries are untrusting of the other which fuels the competition, and strategic dialogue has stalled which prevents attempts to strengthen cooperation.¹⁸⁷ The US does not want a country with the power that China has to dominate the Asia-Pacific region because China will attempt to significantly alter the existing international order to benefit China even more at the expense of American influence. The US NSS from 2010 through 2017 have fully reversed the rhetoric towards China from opportunity and cooperation to competition and distrust. China sees America as its most significant obstacle to reaching its real potential and rightful place in the world order, and American power in the region must be pragmatically challenged until China can be more assertive.

There is little evidence to suggest that this competitive relationship will become more cooperative any time soon. Quite the opposite is true. The current administration in America just recently announced unilateral economic action directed at China, and both the incoming National Security Advisor and Secretary of State are expected to advocate for a much harder line on China that will continue to fuel distrust. The Chinese government recently announced that President Xi Jinping would not be limited to two

¹⁸⁷ Damian Paletta, "Treasury official backtracks after saying he'd ended economic talks with China," *Washington Post*, March 19, 2018, accessed March 30, 2018, https://www.washingtonpost.com/news/business/wp/2018/03/19/top-treasury-official-backtracks-after-saying-hed-ended-economic-talks-with-china/?utm_term=.2bba21b9d32d.

five-year terms like his predecessors were limited. Although President Xi will still need to show he is worthy of the office every five years to the voting members of the CCP who hold his fate, those party members are currently pleased enough with his performance and the trajectory of China in general that they decided to remove the restriction. President Xi has been central to many of the critical areas that have made the current strategy of China successful at meeting its goals. This study concludes there will be continued conflict in the short-term between the US and China concerning regional dominance.

What Risk is the US Assuming with the Current Strategy?

The current US strategy for responding to China's actions in the Philippines is assuming significant risk to several US national interests. As discussed in the last section of chapter 4, Chinese actions threaten the national interest to "ensure all countries—China and the Philippines included—respect international law" is under a "significant risk" level. The risk to this interest could quickly increase into the "high risk" range the more likely China's actions are to continue or increase, or the more assertive China becomes at applying similar actions to other international laws. Another way this risk could increase is if China can convince the Philippines to reach an agreement on maritime disputes through bilateral negotiation. The likelihood increases that other countries with similar disputes will see the Philippines' path through the international courts as being a useless effort and they may choose bilateral negotiations with China as well. US actions to persuade or compel China to value the current international system of laws would reduce this risk.

The US interest to "prevent an ascending regional hegemony in the Asia-Pacific region that would seek to alter the current international order" is also under "significant

risk,” but the threat from China has a much longer timeline of potential events than the other interests. This risk could increase the more China is able to establish de facto control of the SCS, the more effective China is at persuading other countries to negotiate on China’s terms, or the more effective China is at reducing US influence with allies in the region. This risk is the most difficult to reduce based on the multiple components and other regional players included. US actions to protect the other national interests listed here would reduce the risk to this interest.

The US is assuming “moderate risk” to significant risk” to the interest to “maintain military access in the South China Sea in order to provide a deterrence.” This risk could increase into clear “significant risk” the more aggressive China becomes at building infrastructure or land reclamation actions despite disputes with other countries. US actions to deter China from future construction or land reclamation would reduce this risk.

The US interest to “uphold the obligation to protect the US ally in the Philippines based on the mutual defense treaty” is under “moderate risk” from China’s actions, and Philippine President Duterte’s desire, to break the allied relationship between America and the Philippines. This risk could increase if Duterte can pull off the unlikely act of consolidating power and serving longer than his current six-year term, or other notable Philippine politicians begin to echo Duterte’s call to break the relationship. US actions to meet Duterte’s expectations for building capacity to serve as a deterrence to Chinese activities against the Philippines could reduce this risk.

Recommendations

Recommended US Strategy

The first recommendation is to adjust the current US strategy to protect national strategic interests in the Philippines. The US strategy must effectively balance the risk of miscalculation and escalation with the need to protect other national interests that are slowly eroding. Figure 12 shows the recommended US operational approach. The US must be more aggressive at raising the cost to China when Beijing circumvents the established order as it did with the arbitral tribunal case filed by the Philippines. The overall goal of the strategy should be a relationship between the US and China that is built on mutual trust and cooperation to maintain regional and global stability, an area where both countries have a shared strategic interest. This goal has several necessary conditions:

1. Reduce the likelihood of China circumventing the established order in favor of its own alternate system.
2. Reduce the likelihood of China taking future aggressive actions to establish de facto control of the SCS.
3. Reduce the consequences to US strategic interests associated with rising China establishing regional hegemony.
4. Reduce the likelihood of China attempting to remove US access and influence.
5. Reduce the likelihood that China will attempt to break the US-Philippines alliance.

6. Reduce the likelihood of escalation that could cause a destabilizing active conflict.

Strategic lines of effort to reach these goals should be two-pronged: One line of effort should be to further integrate China into the established international order, and one line of effort to raise the cost when China rejects it.



Figure 4. Recommended US Operational Approach

Source: Created by author.

For the first line of effort to further integrate China into the established international order, diplomatic actions from the US should be focused on strategic

dialogue with China for economic and military relations to resolve ongoing points of friction and build trust between the two countries. Economic actions should aim to sustain current levels of economic integration between the two countries which serves as a strong deterrent to dangerous escalation. Military actions should strive for trust-building cooperation on areas of shared interests and agreed definitions such as humanitarian assistance and disaster response, and progress towards regional security issues in the Asia-Pacific region. Information actions should focus on influencing Chinese expatriates and the CCP in Beijing on the sincere benefits of a mutually beneficial relationship with the US and the success of the established international order, from which China has greatly benefitted.

For the second line of effort to raise the cost when China rejects the established international order, the USG needs to make significant changes. Diplomatically, the US should focus on building a coalition not against China, but for the established order. China's economic power provides the capability to use unilateral economic warfare against vulnerable countries, and the USG should seek to reduce that dependency. The TPP is an example of the types of diplomatic actions that are necessary because of its focus on consensus-building, mutual respect for each country, and counter to Chinese economic influence. Specifically to the Philippines, the US is wise to wait out the current anti-America president in Manila who lacks the ability to singlehandedly break the alliance. Diplomatic actions in the Philippines should focus on regaining momentum with the next president in 2022 but seize on any opportunities that the unpredictable Duterte may present until that time and continue to hold the gains made during the Aquino

administration. The US should focus more effort on working with allies to build consensus in ASEAN for dispute resolution and the code of conduct in the SCS.

Information actions need serious adjustment as the US has excellent opportunities to raise the costs of China's aggression. In the Philippines, the US should capitalize on the Filipino people's admiration for America and concern with China's military rise. The US should not give up on the tribunal's award to the Philippines over China, and information actions should aim to remind the Filipino people of the legitimacy of that court. Chinese loans and investment come with a high price of increased military power over the Philippines. The US should create a transparency campaign to reach a broader Filipino audience with China's militarization of the Spratly Islands to show them what price comes with loans from China. Another message of this campaign should include China's goal to remove US access from the region to take advantage of the Filipino people's favorable views of the US. The US should be more aggressive to highlight the positive historical relations between the US and the Philippines.

US information actions concerning military freedom of navigation operations (FONOP) should directly challenge specific Chinese claims. For example, the US should explain publicly in plain language to the target audience that the mission was to dispute China's claim of territorial sea and exclusive economic zone when FONOP missions commence. These technical terms have important meanings that average people may not understand. If the world accepts China's current claims, the 1,100 kilometers of water between Hainan Island and the Spratly Islands is considered Chinese sovereign territory, just like the 12 nautical miles of waters off the mainland of any country. US information actions should connect these dots clearly when a FONOP mission takes place instead of

the general claim that the US will conduct freedom of navigation anywhere and everywhere international law permits. This type of messaging should be successful in any country that shares high levels of concerns with China's military rise.

US military actions should continue to develop ways to counter China's anti-access/area denial capabilities in all domains to provide deterrence to aggression. FONOP missions have been unsuccessful at altering China's aggressive behavior but remain necessary with changes to the information strategy to support the missions. The US should continue to press the Philippines to conduct joint patrols, and future military assistance to ASEAN countries should prioritize maritime security needs under the conditions for security integration with other ASEAN partners. A regional maritime exercise with ASEAN and other partners such as India and Japan would serve as a strong deterrence against China's aggression, but requires much compromise on all sides.

US economic actions should focus on reducing the vulnerability of partner and ally countries from dependence on China and strengthening the established order through integration and shared interests. China is very likely to continue using economic warfare as a primary method for influencing the behavior of vulnerable countries. The US should rejoin the TPP which would not only lower the dependency of member countries on China but would also expand the number of viable options the US has to raise the cost when China attempts to circumvent the established order. Future TPP summits would provide the US and other members with an influential platform for coordinating information actions to encourage Chinese integration and call them out when they do not. The Philippines, Thailand, and other countries have shown interest in joining the organization as well, which the US should encourage to strengthen the established order.

Hard economic actions by the US such as sanctions and tariffs should target critical industries in China that are likely to affect the supply of jobs and force China to think internally. These types of actions must be for a specific purpose and tied to the broader strategy to encourage Chinese integration. Information actions in support of hard economic actions should target foreign audiences that are also concerned with China's rise, and should use the themes that the US is protecting the established order that has allowed for stability and economic expansion. The US also needs an information campaign to provide transparency on Chinese economic warfare actions and how they affect the populations of partner and ally countries.

Other Recommendations

The second recommendation is to give serious attention in the future study to the US strategy for using the information element of national power to protect the interest of ensuring other countries respect international law. During the Obama and Aquino administrations in America and the Philippines respectively, US information actions were built on a foundation of the legitimacy of the Permanent Court of Arbitration and the expectation for China to respect its ruling. China declined to participate from the outset, consistently attacked its legitimacy, and declared its ruling null and void years before the court issued a verdict. By the time the court awarded the case to the Philippines, there was no reasonable expectation that China would adhere to the ruling, and the brand new Philippine President almost immediately put the award on the back burner to pursue direct negotiations with China. Without a willing partner in the Philippines to carry through with the award, US information actions were muted and ineffective.

The third recommendation is to conduct a similar study to this one for analyzing the US strategy to respond to China's actions concerning ASEAN. There were numerous topics of importance to the Philippines that was very difficult to separate from ASEAN. China and ASEAN have several agreements for trade and military cooperation that would provide better insight to how the US strategy should be adjusted to protect national interests. Furthermore, China's goal to establish regional dominance cannot be entirely separated from ASEAN and the SCS alone, as US allies such as Japan, South Korea, and Australia are not a part of those groups but are very important to US success in the region.

The fourth recommendation is to conduct a similar study to this one for each of the other individual countries in ASEAN. The organization as a unified body is more powerful than the sum of its parts, but each country has its own set of conditions, economies, militaries, leadership, etc. that shape the positions those countries advocate for through ASEAN. These studies have the potential to provide other valuable insights about the US strategy for protecting national interests.

Chapter Summary and Conclusion

This chapter has discussed the conclusions of the research and recommendations based on analysis of the evidence presented. Also discussed in this chapter is the answers to the research questions and the level of risk to national interests the US strategy is assuming. The goals of the three countries align concerning maintaining regional security and maintaining economic activity in the region. Chinese and American goals conflict concerning international law and the competition for regional dominance. America and the Philippines goals conflict concerning the allied relationship and the expectations on

both sides. The level of risk to national interests that the current US strategy is assuming is at a significant level concerning three interests and a moderate level to a fourth interest. The risk to the US interest to ensure other countries respect international law is both significant and unacceptable, and the US should adjust its strategy based on the recommended operational approach to reduce this risk. Several other recommendations this study makes are for future research to conduct further analysis of ASEAN and the other individual ASEAN countries.

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