



AUKUS and its implications for Asia, US-European relations and non-proliferation

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Main messages

- The political, strategic and technological aspects of the AUKUS deal may be more important than the provision of nuclear-powered submarines.
- The deal is a clear sign of the US tilt towards Asia and will have important implications for both US-French, US-EU and US-NATO relations.
- AUKUS does not imply any nuclear weapons proliferation risk. However, it paves the way for a proliferation of nuclear-powered submarines, which will open for legitimate and illegitimate claims for producing Highly Enriched Uranium.
- It remains to be seen whether the strategic benefits of AUKUS in the Indo-pacific will outweigh its political costs for transatlantic relations and the image of the United States as a trusted security partner.

On September 15, there was an earthquake in the Pacific, and its aftershocks are still reverberating around the world.

Flanked with the Australian and British Prime Ministers, President Biden announced the formation of a “trilateral security partnership” with Australia and the United Kingdom including the provision of nuclear-powered submarines. Simultaneously, France was informed that Canberra would break a contract signed in 2016 for the provision of twelve diesel-electric submarines.

Australia had strong arguments for this sudden change of heart. Canberra argued that three evolutions had taken place. *China* had changed: it had become more aggressive and had expanded its maritime presence in the region. The *United States* had changed: no previous administration

had been willing to export nuclear reactor technology to a non-nuclear country. Finally, *Australia* itself had changed: domestic opposition in principle to all things nuclear had weakened.

The shock to the French was severe, for four reasons. *First*, because it was the *breach of a major contract* which involved the French industry, the Australian industry but also US industry. Whatever difficulties the program was running into, the contract was broken for “convenience” and not for any “fault”. *Second*, because it was seen as a *breach of trust among allies* and friends. On the substance, there was no equivalent or precedent. Regarding the method, no advance notice was given. *Third*, one could see this event as a *breach of hopes*. The AUKUS deal signaled to the French that they would never belong to that exclusive club of Anglophone allies, which also includes Canada and New Zealand. *Finally*, it was also a *breach of strategy* for France, whose Indo-Pacific strategy is now in shambles as it rested on two major pillars, an Indian one and an Australian one.

Consequences for US-European relations

The consequences for US-European relations are likely to be the most immediate. They can be seen across three dimensions.

The *first dimension* is the US-French one. September 15 fuelled a well-known French narrative according to which not only the United States has never been a fully trustworthy protector, but it has also been moving away from Europe with increasing speed over the past ten years. This narrative can be illustrated by the United States only supporting Paris half-heartedly in Libya and in the Sahel, by leaving France hanging dry in August 2013 as both were about to punish Damascus, by exiting from Syria without consulting allies, and by leaving Afghanistan without coordinating with NATO. Then came September 15, “a day that will live in infamy” in Paris. The sense of betrayal was akin to that which was felt by the United States when France decided to actively oppose the Iraq war – with the difference that France had been working *with* the United States in the Indo-Pacific, not against them. France also sought to convince its European allies to get interested in the region, but it never sought to “replace” Washington as the ultimate guarantor of Australia’s security. Paris felt it was another Suez-like stab in the back.

The *second dimension* is the EU-US one. By coincidence, the first ever EU strategy for the Indo-Pacific was published the day of the AUKUS announcement. It is based on a network of partnerships, notably with India, Japan and South Korea, as well as with Southeast Asia through the Asia-Europe Meetings since 1996. It recognizes major European interests in the Indo-Pacific, given ever-increasing transcontinental interdependence in economics and security, as well as the recognition of the need to protect

global commons and uphold international legal norms. Also by coincidence, France will hold the presidency of the EU from January to June 2022, and will obviously seek to implement (“operationalize”) it. Given the strong reactions of the EU leadership as well as some voices from Germany, questions of an increased independence from Washington must be expected. More generally, the French will double down on their plea for more “strategic autonomy” in the field of defense but also in the field of technology.

This leads to the *third dimension*, NATO and the ongoing discussions about how the alliance should take China’s rise into account. AUKUS is another clear sign of the US tilt towards Asia and of its willingness to contain Beijing’s maritime ambitions.

To sum up, two questions are now put to Washington by France but also, behind the scenes, by a few other European countries. First, how can the United States convince its European allies that an increased involvement in the Indo-Pacific does not mean a lessened interest for the defense of Europe? Second, how can the United States convince its European allies that they need to coordinate their strategies towards China when future US policy surprises can’t be ruled out? French authorities have a point when they note that the September Surprise indicates a “*lack of coherence*” in the US approach.

Consequences for Asia

AUKUS is about much more than submarines. It is an “*enhanced trilateral security partnership*” whose foundations are existing military alliances. Its focus is “*deeper information and technology sharing*” and “*deeper integration of security and defense-related science, technology, industrial bases, and supply chains*”. Initial efforts will focus on “*cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities*”. To this should be added an increased access for US forces in Australia. To sum up, the “tree” – the deal for nuclear-powered submarines – may hide the “forest” – the political, strategic and technological aspects of AUKUS.

Containing the rise of China in the region is the implicit goal. This is about denying China the ability to control international waters, encroach on the national sovereignty of friends and allies, and threaten their territories.

To reach this objective, nuclear-powered submarines are an important asset. Submarines provide sea control and sea denial, intelligence collection, and power projection as they will be increasingly armed with long-range missiles to enhance their reach. China should have no less than 76 submarines by 2030 against 66 for the United States, including those earmarked for other regions. The Indo-Pacific is a big place, and to be an efficient maritime actor, the ability to travel far and fast and stay on-station for long periods, is essential. Nuclear-powered submarines

don't need to surface and can undertake longer patrols. However, their advantages against modern diesel-electric submarines are reduced: the latter are almost completely silent when they run on batteries, whereas cooling of reactors always generates pumps noise.

Not everyone in Asia is happy about AUKUS. Most Southeast Asian countries with exceptions – Singapore and the Philippines – have raised concerns about the hardening of the US-China competition. Malaysia and Indonesia have been the most vocal. They fear that they could be forced by the United States into a Bush-type “with us or against us” choice.

Consequences for non-proliferation

US and British nuclear-powered submarines run on Highly Enriched Uranium (HEU), one of the materials that can be used for making bombs, whereas their French equivalents have been running on Low Enriched Uranium (LEU) since the 1980s. The reason for using HEU is that it makes for “lifetime cores” lasting 30 to 40 years, thus the entire operational life of a submarine, whereas LEU reactors have to be refuelled at least twice during their service life. The US Navy and National Nuclear Security Administration claim that transitioning to LEU would be lengthy, costly, and result in degraded performances. Proponents of the move note that the United States will soon need to resume HEU production for the first time since 1992 and claim that a new-generation LEU reactor could have a lifetime core.

This has been a problem since the inception of the nuclear non-proliferation regime. The International Atomic Energy Agency (IAEA) could hardly enter a submarine to check for the contents of a reactor – especially since the set-up of the propulsion system is generally a closely guarded secret. As a result, there is a loophole in the safeguards regime. A Nuclear-Nonproliferation Treaty (NPT) signatory is allowed to withdraw HEU from its stocks for use in naval propulsion. IAEA Director General Rafael Grossi stated on September 29 that *“we, with Australia, with the United States and with the United Kingdom, have to enter into a very complex, technical negotiation to see to it that as a result of this there is no weakening of the nuclear non-proliferation regime”*.

So far, no non-nuclear-armed country has ever possessed a nuclear-powered submarine, though Brazil plans to commission one around 2030. No nuclear power has ever transferred nuclear propulsion technology to a non-nuclear power, especially without a civilian nuclear program.

There are in fact *four possible exports paths* for nuclear propulsion by a Nuclear Weapons State: the first is to another Nuclear Weapons State, that is the United States to the United Kingdom; the second is to a de facto Nuclear Weapons State – this is what happened when Russia leased a submarine to India; the third is to a Non-Nuclear

Weapons State with a significant nuclear industry, such as Japan; and the fourth is to a Non-Nuclear Weapons State without any nuclear industry, such as Australia.

Despite the fact that HEU can be used to make bombs, it makes more sense to provide HEU-fuelled reactors to Australia than to sell them LEU-fuelled reactors. The reason for this is that HEU reactors can be a “black box” which is never opened by the Non-Nuclear Weapons State, whereas LEU reactors need to be opened several times during their service life. In other words, Australia will not need to have a major political debate on whether or not it should have a nuclear program to refuel its reactors and be “sovereign” on this question.

In fact, a country that feels safer overall – as Australia should after AUKUS – is arguably also a country that is less likely to be tempted to go nuclear one day.

To be sure, the deal will require the transfer of nuclear know-how for operating the reactor, as well as training for safety and security, but there is no direct or indirect nuclear weapons proliferation risk here.

However, from now on, no non-nuclear country – such as Brazil – could be challenged for building nuclear-powered submarines, and no nuclear power could be challenged for selling them to a non-nuclear country. A taboo has been broken. Russia will feel free to sell HEU reactors. France will now feel free to sell LEU-powered submarine technology, however possibly only to friendly states that have a nuclear complex, such as India or Japan.

Another, maybe more significant problem for the regime is that other countries will now be able to claim that they need HEU for real or imagined future submarines. This is, unsurprisingly and as many predicted, what Iran is doing. To be sure, this is not about their program in itself, but about the narrative around it. Tehran is trying to win the global narrative about the legitimacy of its nuclear program, and AUKUS gave them a new argument in that regard. Japan and South Korea might do the same.

What now?

Canberra decided to trade sovereignty for capability. While Paris thought that Canberra wanted to be more France-like, it turned out that it wanted to be more British-like. However, the AUKUS deal means that Australia will have to wait for another decade – not before the late 2030s instead of around 2030 as was the case for the French contract – to get their first of *“at least eight”* modern submarines. It is not yet certain that they will be built in Australia, and even less so that they will be serviced there.

The deal will have to go through significant political obstacles in Washington (US legislation will have to be modified) and perhaps in Canberra (elections are scheduled to

take place in the Spring), where the potential costs of US submarines – which are about three times more expensive than the French ones – will be discussed. Also, Australia will have to make a major recruitment effort for nuclear-trained officers and technicians.

Perhaps will AUKUS translate into nothing but an increased presence of US and UK submarines in the region. We'll know at the end of the 18 months study period upon which the three countries have agreed.

What's next for France?

The crisis of confidence with two of France's closest allies, the United States and the United Kingdom, is severe. On the one hand, the crisis will affect the scope of their cooperation in the coming years. In a sense, to use the 2003 analogy again, France is "forgiving the Americans, punishing the Brits and ignoring the Australians". On the other hand, the crisis will not affect the most important aspects of their cooperation such as intelligence sharing, counter-terrorism, ongoing combat operation or nuclear weapons cooperation.

France also welcomed the reaffirmation by President Biden that European defense is not a threat to NATO. As stated in the US-French presidential communiqué of September 22, the United States "*recognizes the importance of a stronger and more capable European defense, that contributes positively to transatlantic and global security and is complementary to NATO*". In fact, Paris successfully leveraged

the bilateral crisis by asking the Biden administration for a clear affirmation of its willingness to improve and deepen cooperation: on 29 October, following a one-to-one meeting between presidents Biden and Macron, a more substantial declaration and a roadmap for future relations was adopted, covering defense and security but also issues such as health and energy.

France's interests in the Indo-Pacific remain. It will have to revamp its strategy in the region, and enhance its partnerships with India, Japan, and ASEAN countries. French government officials have already shown through high-profile bilateral summits and visits since mid-September that they intend to deepen ties with Delhi, Tokyo, and Jakarta. France will be more supportive of inclusive diplomacy than of provocative behavior in Asia and will also try to persuade its EU partners to be more interested militarily in the region. Germany and the Netherlands are leading the way here. Importantly, though, France agrees that this should not be done against the United States.

It remains to be seen whether the strategic benefits of AUKUS in the Indo-pacific will outweigh its political costs for transatlantic relations and the image of the United States as a trusted security partner.

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