

# Executive Summary

## Early Context

On September 15, 2021, the leaders of the United States, the United Kingdom, and Australia surprised the world with the announcement of a trilateral partnership called AUKUS.<sup>1</sup> According to the joint statement, the AUKUS partnership sought to deepen diplomatic, security, and defense cooperation in the Indo-Pacific region by promoting deeper information and technology sharing as well as deeper integration of security and defense-related science and technology.<sup>2</sup>

Since the announcement, two key pillars of AUKUS have emerged. Pillar 1 focuses on enabling Australia to acquire nuclear-powered, conventionally-armed submarine capability, and Pillar 2 focuses on enhancing collaboration to develop and field “advanced capabilities.” Each of these pillars is described in more detail in subsequent sections.

The AUKUS announcement came as a surprise to even the most connected individuals of the national security communities in all three countries, and many experts agreed that it marked a turning point in Indo-Pacific security and the demonstrated long-term resolve of all three countries (especially Australia) to counter the influence of the People’s Republic of China (PRC) and the long-term balance of military power.<sup>3</sup>

The AUKUS announcement held the attention of national and international media for two related reasons. First, the primary initiative of the partnership was an agreement between the United States and the United Kingdom to support Australia in acquiring nuclear-powered submarines for the Royal Australian Navy. The leaders made it clear that the details of such an arrangement would be negotiated over the next 18 months, giving their governments until March 2023 to make the partnership a reality and “determine an optimal pathway forward.”<sup>4</sup>

This alone would have been big news, as Australia had a reputation for its commitment to nuclear non-proliferation and had, just six years earlier, embarked on a \$66 billion (US) defense contract with France’s Naval Group to build 12 diesel-electric submarines to replace its aging Collins-class boats. But the second reason for the attention of national and international media was the fact that neither Australian, UK, nor US leaders had told the leaders of France about the

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<sup>1</sup> Alexander Ward and Paul McLeary, “Biden Announces Joint Deal with U.K. and Australia to Counter China,” *Politico*, September 15, 2021, <https://www.politico.com/news/2021/09/15/biden-deal-uk-australia-defense-tech-sharing-511877>.

<sup>2</sup> Joseph Biden, Boris Johnson, and Scott Morrison, “Joint Leaders Statement on AUKUS,” *The White House*, September 15, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>.

<sup>3</sup> Joe Wheatley, “Fear, Honour, and AUKUS in the Indo-Pacific,” *The Strategy Bridge*, November 9, 2021, <https://thestrategybridge.org/the-bridge/2021/11/9/fear-honour-and-aukus-in-the-indo-pacific>.

<sup>4</sup> Biden, Johnson, and Morrison, “Joint Leaders Statement on AUKUS.”

new agreement or that it would mean the cancellation of the contract with the Naval Group, a French defense contractor partially owned by the French government.<sup>5</sup>

In the time since, both the Australian and US governments made real attempts to repair the damage done by the diplomatic gaffe associated with the AUKUS rollout. After France recalled its ambassadors from both Washington, DC, and Canberra, Australia, the Biden administration and the Morrison government engaged French counterparts and apologized for the oversight. Australia ended up agreeing to pay US\$584 million to France's Naval Group in a settlement finalized by the new Australian government of Prime Minister Anthony Albanese in May of 2022.<sup>6</sup>

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<sup>5</sup> Dusty Jones, "Why A Submarine Deal Has France At Odds With U.S., U.K. And Australia," *NPR*, September 19, 2021, <https://www.npr.org/2021/09/19/1038746061/submarine-deal-us-uk-australia-france>.

<sup>6</sup> Josh Taylor, "AUKUS Pact: Australia Pays \$830m Penalty for Ditching Non-Nuclear French Submarines," *The Guardian*, June 11, 2022, <https://www.theguardian.com/world/2022/jun/11/aukus-pact-australia-pays-830m-penalty-for-ditching-non-nuclear-french-submarines>.