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It's great to be here at the Cooperative Strategy Forum to speak with you about a few of the many pressing issues in the Indo-Asia-Pacific region. Like this region's vast geography, national diversity and political complexity, these issues range from local to global, parochial to shared and cooperative to competitive. All are intertwined and none are untangled easily, which is why CNO Richardson is so committed to sponsoring these strategy forums throughout the year, and why I am so supportive of his desire to hold one here in the Pacific and why we are so honored at the Headquarters to host it on his behalf.

I have to thank up front the key leadership from CNO's staff Vice Adm. Aquilino and Rear Adm. Harley, no strangers to the Pacific themselves and immense and critical supporters of both APCSS and the Naval War College. Of course the most critical and key elements in these strategy forums are the participants so I thank each of you for your commitment to the region underscored by your presence and active participation here today. I look forward to your questions and thoughts following my prepared comments.

It is no surprise to this audience that depending on when you start to look in history, Asia has been rising and falling for thousands of years. Its people have traversed the earth and plied the seas since ancient times, sharing ideas and materials in ways that continue to shape the modern era. The twentieth century saw unprecedented levels of conflict, reconstruction and rapid economic growth that gave birth to new nations, strengthened old ones and built a regional order that has propelled millions out of poverty.

As Singapore's Minister of Defense Dr. Ng noted a few years ago, the region's rise from the ashes of World War II, decolonization and the ensuing Cold War wasn't easy and Southeast Asia in particular, [quote] "was an arena for proxy wars and contests for domination." [end quote] It's certainly not lost on me that the Cold War grew hot in Asia, but even then, the seas remained relatively calm. In the early twentieth century, as nations consolidated sovereignty and pursued growth, rule by "might makes right" led to the devastation of World War II, which in turn, through consensus and conciliation, produced the rules-based system of international norms, standards, rules and laws we enjoy today. The positive trends of peace, stability and prosperity, codified by that system, accelerated in this century to an extent that the global centers of gravity for security, political and economic affairs are shifting, once again, to the Indo-Asia-Pacific region. Some contend they already have shifted.

Today all Indo-Asia-Pacific nations benefit from a rising tide of prosperity. We all have major stakes in this region's continued success, especially at sea, where so much of our trade, investment and interaction takes place. Global seaborne trade is expected to reach eleven billion tons by the end of this year, with half of that number shipped through this region. Eight of the world's busiest container ports are in the region; 30 percent of global maritime trade, roughly 5.3 trillion dollars yearly, passes through the South China Sea alone; of that, 1.2 trillion dollars transits to ports in the United States. Given those volumes, regional countries increasingly view access to maritime resources and freedom of the seas as the essential drivers of continued economic prosperity.

How nations pursue these interests matters greatly. This is especially true here in the Pacific as underscored by recent spikes in regional tensions. All nations want to reach ever-higher levels of prosperity — but we cannot all rise by pushing the competition down and then pulling the ladder up behind us — not if we want to continue up the shared path that benefitted so many in this region. I'm convinced the continued promotion of the rules-based system that evolved over the past 70 years remains the best way forward for all nations in this region — large and small — to continue to rise peacefully, confidently, securely and economically. My concern is that after many decades of peace and prosperity at sea, we may be seeing the leading edge of a return of “might makes right” to the region. Such an approach may once again impact the vibrant but vulnerable waters of Southeast Asia.

This is particularly true in the South China Sea, where excessive maritime claims, prolonged disputes involving multiple parties, and nascent militarization of outposts are challenging freedom of the seas and the rules-based system. In the Spratly Islands, larger claimants are piling sand, building facilities and deploying garrisons on disputed features at unprecedented rates. Though senior leaders vowed to prevent it, the question of future militarization of these features looms large on the horizon and on the minds of those in the region.

Even now, ships and aircraft operating nearby these features, in accordance with international law, are subject to superfluous warnings that threaten routine commercial and military operations. Merchant vessels that have navigated shipping lanes freely on behalf of lawful international commerce are diverted after entering so-called military zones. Intimidated by the manner in which some navies, coast guards and maritime militia enforce claims in contested waters, fishermen who trawled the seas freely for generations are facing threats to their livelihoods imposed by nations with unresolved, and often unrecognized claims. Taken together, these actions already transform the status quo in the South China Sea and are eroding the rules-based system in ways that affect security, stability and prosperity for all regional countries.

Alarmed by these trends, claimants and non-claimants alike are transferring larger shares of national wealth to develop more capable naval forces beyond what is needed merely for self-defense, raising the risk of a sustained arc of increased regional tension and instability. As the Pacific Fleet commander, I'm focused on the behavior of all naval and maritime forces in the region, not on any specific country. I expect all naval and maritime forces, including my own, to operate responsibly, safely and in full compliance with international law. As more maritime actors share the South China Sea without established patterns of safe and professional behavior, tactical friction points at sea could become strategic friction points ashore. If even one regional navy — or maritime forces under its command — does not fly, sail or operate in accordance with international law, then unilateral assertiveness could become the new regional norm, driving increased instability in multiple domains. I think we all can agree that such a trend is unacceptable.

The lack of progress with respect to dispute resolution has opened the door for many of these destabilizing activities. As stated many times before, the United States does not take a position on the merits of competing claims but does care about how these claims are resolved. There are many ways to pursue resolution peacefully in accordance with international law, but global best practices and precedents point to the success of multilateral negotiations, agreements and third-party support. Given the prolonged nature of South China Sea disputes and a prevailing climate of mistrust, I am not surprised by the broad regional view that these issues are best resolved in a multilateral, collaborative, and transparent way. This view is particularly compelling with those smaller claimants who are challenged when faced with a negotiation across what is at best a lopsided table. With so many overlapping claims, how can two sides negotiate fairly without imposing on another claimant's equities?

As we saw with the latest round of regional summits, growing uncertainty and a lack of consensus are straining institutional mechanisms' ability to address disputes in the South China Sea transparently and multilaterally. More than thirteen years have passed since the Declaration on the Conduct of Parties was signed and yet the objective of a Code of Conduct in the South China Sea remains elusive and aspirational. Despite ongoing talks, claimants are not waiting to pursue enforcement of their claims. While it did not include all claimants, the Joint Statement on the ASEAN-U.S. Strategic Partnership was a welcome reaffirmation of the importance of fully implementing the Declaration and expeditiously concluding the Code of Conduct.

Until implementation occurs, the need for credible third parties, like the International Tribunal for the Law of the Seas, to help manage tensions and resolve disputes could not be greater. Along those lines, I'd like to point to a few recent cases in South and Southeast Asia that could be applied more broadly in the South China Sea.

In 2008, the International Court of Justice resolved a longstanding dispute between Singapore and Malaysia over Pedra Branca, Middle Rocks and South Ledge, awarding sovereignty of Pedra Branca to Singapore. Located in the southernmost part of the South China Sea, these features were a source of intractable tension that pitted Malaysia's historic claims under the Sultan of Johor — who exercised authority over traditional Malay seafarers for centuries — against Singapore's unchallenged jurisdiction over Pedra Branca and its lighthouse since the colonial era. Following the International Court of Justice ruling, Malaysia and Singapore were able to largely set aside a longstanding irritant and work more cooperatively on maritime issues. This case raises the question, what impediments need to be removed to reach a resolution elsewhere in the South China Sea?

Bordered by South and Southeast Asian nations, the Bay of Bengal is a source of two maritime dispute rulings that could as well apply to the South China Sea. Marking the first time the International Tribunal for the Law of the Seas decided a maritime border dispute, in the 2012 Bangladesh/Burma case, both sides recognized a need for third-party intervention and both sides benefited from the ruling. The decision prevented Burma from cutting off Bangladesh from access to maritime resources due to its concave coastline. As a concession, the International Tribunal for the Law of the Seas created a “grey area” that allowed Bangladesh claim to the seabed while Burma controlled the exclusive economic zone waters above. The ruling also limited St. Martin's island off the coast of Burma to a territorial sea, preventing Bangladesh from bumping out its exclusive economic zone from an offshore island. We can all learn from the strong example and regional leadership of the Burmese and Bangladesh governments on how best to resolve nationally important and contentious sovereignty claims.

A different third party, the Permanent Court of Arbitration, resolved Bangladesh's western maritime boarder dispute with India two years later. Dating back to the 1947 border between India and East Pakistan (now Bangladesh), the dispute moved to arbitration when bilateral negotiations failed. India, a much larger and more powerful claimant than Bangladesh, agreed to participate in the arbitration proceedings and ultimately lauded the decision which awarded Bangladesh about eighty percent of its claimed exclusive economic zone. The success of these collaborative approaches should inform our thinking on how best to resolve disputes in the South China Sea. That success does not surprise those who have benefited from the rules-based system since the end of World War II.

As these examples show — and as another Singaporean, Ambassador Tony Koh, noted in a recent op-ed — Asian nations are perfectly willing to settle disputes through third parties, often under terms that benefit both claimants. Ambassador Koh, who was president of the U.N. Conference on the Law of the Sea when the final text of the UNCLOS was concluded in 1982, also pointed to fact finding, mediation, conciliation, and joint development as promising third-party options for dispute resolution.

I believe these dispute resolution mechanisms remain within reach in the South China Sea provided the claimants are willing to trust the rules-based system. The Arbitration Tribunal's case between the Philippines and China could become the latest opportunity to demonstrate lawful access to regional prosperity for all nations — large and small. The alternative to such credible dispute resolution mechanisms embraced by all regional stakeholders is uncertain at best, and destabilizing at worst.

As I noted before, my focus is on the behavior of regional navies. Certainly the vast majority I speak with throughout the region embrace and support a continuation of peaceful resolutions in accordance with international law. At this moment, three ships from the Chinese navy are visiting Pearl Harbor as part of an around-the-world-tour following their participation in multinational counter-piracy operations in the Gulf of Aden. Supporting missions abroad that benefit all nations is exactly what responsible navies do.

Some have asked why we would host these ships given rising tensions in the South China Sea or just after missions like the USS Lassen operation. My response is that reciprocal port visits and other forms of peaceful engagement are never more appropriate than when we have national differences. I would add that no one should be surprised by the constant U.S. Navy presence throughout the Indo-Asia-Pacific for the past seventy years — our ships steamed a combined total of about 700 days in the South China Sea just this calendar year.

I do not see any of this as inconsistent. Like our broader bilateral relationship, the U.S.-China naval relationship must be able to handle elements of both harmony and friction. Our naval relationship, and the stakes associated with our maritime activities, are too meaningful and too important for us to avoid professional interactions just because we don't always see eye-to-eye. In fact, this port visit and the one I joined in Shanghai last month by USS Stethem, along with my visits with Adm. Wu and Vice Adm. Su, are even more important in the context of our growing interactions at sea.

With that, I look forward to your questions.