Panel V: Energy Security and Sealanes

Global Challenges and Freedom of Navigation
37th Annual Conference on the Law of the Sea and Ocean Policy
Seoul, Republic of Korea
1 - 3 May 2013

Captain Pete Pedrozo (USN, Ret.)
U.S. Naval War College
Importance of Straits of Malacca and Singapore

• Key maritime chokepoint in Asia
  – Shortest sea route between Persian Gulf and Asian markets

• 60,000 ships/year—1/3 of global trade
  – By 2020—Straits will serve 114,000 ships

• 2/3 of worldwide liquefied oil and natural gas
  – Energy lifeline for PRC, JPN, ROK, TWN
Potential Threats

• Navigational safety
  – Collisions—Phillips Channel only 1.7 miles wide
  – Groundings—shallow depth

• Environmental protection

• Security
  – Piracy and armed robbery against ships
  – Terrorism
Importance of South China Sea

• Security of Sea Lines of Communication (SLOCs)
  – 1/3 of world shipping moves through SCS
  – 25% of world’s crude oil passes through the SCS
  – SLOCs lifeline of Asia-Pacific economies
    • Most export-oriented/resource-deficient region
    • Countries heavily dependent on seaborne trade
    • Fundamental to regional economic development
Importance of South China Sea

• Control of SCS resources (oil and gas; fish stocks)
  – Vietnam, RP and Malaysia economies dependent on SCS resources

• FON and excessive maritime claims
  – Unilateral closure of water space subject to high seas freedoms of navigation and overflight and other lawful uses of the seas
Overlapping Claims

Oil and Gas Resources
- Active gas/oil field
- New field discovery
- Concession block

South China Sea Maritime Claims
- Line segment shown on Chinese maps
- Malaysian claim
- Philippine (Kalayaan) claim
- Indonesian claim
- Vietnamese claim
- Bruneian claim

Other South China Sea Claims
- Hypothetical exclusive economic zone limit
- Hypothetical territorial sea limit (12 nm)
- Indonesian-Malaysian negotiated maritime boundary
- Malaysian-Vietnamese joint development
- Malaysian-Thai joint development

Competing Claims in the South China Sea
All of the Spratly Islands are claimed by China, Taiwan, and Vietnam; part of them are claimed by Malaysia and the Philippines. Brunei has a maritime claim in the area. The United States does not recognize these claims and considers the sovereignty of the islands to be in dispute.

Hypothetical EEZ limit from coastal states

http://www.middlebury.edu/~scc
Recent Events—FON?

• Interference with military activities

USNS Impeccable
March 2009

INS Shivalik (F-47)
June 2012

INS Airavat
July 2011
Recent Events—Energy Security?

Interference with resource exploration

Viking II

Reed Bank Incident

Binh Minh 02 Incident

May 2011

June 2011

Nov 2012

March 11

85 nm

60 nm
China National Offshore Oil Corp
Oil and Gas Leases (June 2012)

*Indicative map - Not to scale

Vietnam’s EEZ under UNCLOS
Recent Events—Impact on Food Security?

- Scarborough Shoal Incident—Apr 2012
  - 2 CMS ships prevented RP warship from arresting 15 PRC fishing boats illegally fishing in the RP EEZ
Sansha City

- 06/12-new prefecture level city established
  - Administer Paracels, Spratlys and Macclesfield Bank
- 07/12-military garrison stood up
- 11/12-maritime police authority
  - Board, seize and expel foreign ships illegally entering territorial seas of PRC islands in SCS
Impact on ASEAN Unity?

• July 2012 ARF meeting in Phnom Penh
  – Disagreement on how to handle South China Sea—no concluding communiqué—a first in ASEAN’s 45-year history

• Concluding a binding Code of Conduct?
  – Statement of ASEAN Foreign Ministers on ASEAN’s Six-Point Principles on the South China Sea (July 20, 2012)
  – 19th ASEAN-China Senior Officials Consultations (April 2013)
    • Special meeting proposed by China “to hasten progress on a code of conduct”
Increased US Attention

• Trans-Pacific Partnership Agreement (11/11)
• East Asia Summit (11/11)
• Increased access to VN (Cam Ranh Bay)
  – Bilateral exercises
• Increased access to the RP
  – Over 80 USN ship visits (51 in 2011) & 100 aircraft/month
  – Rotational deployment of 4500 USMC
  – More exercises IVO Palawan
  – Acknowledgement of defense commitments under MDT
• Shangri-La Dialogue (06/12) - Asia Rebalance
• Deployment of Littoral Combat Ships to Singapore
• US-AUS Defense Cooperation Agreement - rotational deployments of 2,500 USMC to northern Australia
Compulsory Dispute Settlement

- RP initiated arbitral proceedings against PRC on 22 Jan 2013
- Relief sought
  - Declare each party gets 12 nm TS and 200 nm EEZ and CS per UNCLOS
  - PRC 9-dash line claim in SCS is illegal
  - Determine status of land features under Art. 121
  - Enable RP to exercise its rights within and beyond its EEZ and CS
INCREASED PRESENCE:
- Increased military exercises
- Enhancing existing outposts
Panelists

• Hao Duy PHAN
  – Centre for International Law, National University of Singapore
  – ASEAN’s role in securing sea lanes and facilitating maritime security in region

• Kuen-chen FU
  – South China Sea Institute, Xiamen University, China
  – FON and the South China Sea

• Leo Bernard
  – Centre for International Law, National University of Singapore
  – Cooperation mechanism in the Straits of Malacca and Singapore
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Survival Space

Contradictory claims crisscross the South China Sea, surrounded by what were, until the recent Asian financial crisis, some of the world’s fastest developing nations. Overfishing exhausts catches close to shorelines here, and economic growth has outpaced existing oil supplies. Countries claim sovereignty over rocks, shoals, and reefs to establish national outposts for asserting ownership of fishing grounds and the petroleum believed to lie beneath.

Under the United Nations Convention on the Law of the Sea, countries may designate areas within 200 nautical miles of their coasts as exclusive economic zones, but across the South China Sea, especially in the Spratly Islands, zones overlap. They also intersect historical claims by the Philippines, Vietnam, and China and Taiwan—the latter both advancing the same boundaries.

While diplomats talk, navies raise flags, arrest fishermen, blockade oil rigs, and sometimes fire shots. In 1988 China sank Vietnamese ships, killing at least 70 sailors, before taking several of the Spratlys—the most serious clash since it seized the Paracel Islands from Vietnam in 1974. Tensions fuel a local arms race as well as fears that China aims to dominate all Asia by controlling the sea. Many experts, however, argue that China’s military is too weak and its leadership too pragmatic to follow that course.