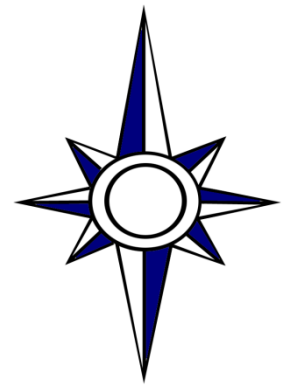


Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



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US-Southeast Asia Relations: ASEAN Stumbles

Indonesian efforts to salvage ASEAN unity after the failure to issue a formal communiqué at the end of its 45th Ministerial Meeting were successful. Stymied by a lack of consensus over the inclusion of Philippine and Vietnamese complaints about Chinese maritime confrontations in the South China Sea (SCS) in the communiqué, Indonesia's foreign minister presented a minimal SCS code of conduct statement that ASEAN members subsequently accepted. At the US-ASEAN Post-Ministerial Conference, Secretary of State Clinton reiterated US support for a peaceful negotiated settlement to SCS disputes and emphasized the importance of ASEAN-based institutions in the resolution process. Linking enhanced US military aid for the Philippines to President Aquino's 2013-2017 navy and air force development plan, Washington hopes to help Manila improve its "maritime domain awareness." The US also announced during Defense Secretary Panetta's visit to Cam Ranh Bay that it would be adding naval visits to Vietnam. The US suspended many prohibitions against private investment in Myanmar, though human rights-based sanctions remain. At the Shangri-La Dialogue, Panetta outlined an ambitious plan for enhanced military partnerships with regional friends and allies, though how a reduced US military budget will impact these plans is a growing concern in Southeast Asia.

ASEAN stumbles (and recovers?)

Many commentators on international affairs expressed surprise that the 45th annual ASEAN Ministerial Meeting (AMM) held in Phnom Penh on July 9 for the first time issued no formal communiqué. The dominant explanation was that no agreement could be reached on a proposed Code of Conduct on the South China Sea (SCS) – an issue that has roiled Southeast Asian littoral countries for the past 20 years. In fact, according to Philippine Foreign Affairs Undersecretary Erlinda Basilio in a July 19 press release, the ASEAN members had agreed on the key elements of a code, however, Cambodia – the current ASEAN Chair – objected to any mention of the conflict over Scarborough Reef in the communiqué as well as to proposals by Hanoi and Manila that the document should reference maritime incidents involving Chinese ships. Cambodia insisted that bilateral disputes with an outside power were not an appropriate subject for an ASEAN communiqué, though such disputes have been discussed at past ASEAN meetings. As a result, not only was ASEAN's position on the South China Sea not formalized, numerous other matters that had been discussed at the AMM were not formally acknowledged – among them the establishment of an official ASEAN Community in 2015. In retrospect, the absence of ASEAN agreement on such a politically sensitive topic as the SCS should not have been surprising – disappointing perhaps, but not surprising. ASEAN is not a unitary actor on politically sensitive matters. Its 10 members have 10 different sets of security interests. When it comes to dealing with China, they vary considerably; from being a diplomatic surrogate for Beijing (Cambodia),

to being willing to directly confront it and attempt to obtain open military support from the US (Philippines), to points in between where keeping a low profile and adopting a hedging strategy is followed (Malaysia). The other point to keep in mind is that ASEAN procedures are designed to protect dissenters. No votes are taken in ASEAN negotiations, and policies are adopted through consensus. It takes only one member to veto an outcome. These considerations mean that ASEAN rarely takes a unified position on any issue deemed politically sensitive.

Again, not surprisingly, ASEAN's most prominent member – Indonesia, not a claimant to the Spratly Islands – seized the initiative to recover the Association's voice. Foreign Minister Marty Natalegawa visited five ASEAN states, including Cambodia, following a letter sent by Indonesian President Susilo Bambang Yudhoyono to his ASEAN colleagues urging their support for Indonesia's efforts. Natalegawa carried with him an Indonesian draft statement on the South China Sea Code of Conduct that distilled the essence of the earlier ASEAN foreign ministerial discussions. More important, its acceptance and publication by Cambodia, the incumbent ASEAN chair, on July 20, underlined ASEAN's founding principle going back to its 1967 inception that Southeast Asia's regional security is the fundamental responsibility of the countries of the region themselves and not the great powers.

The brief six-point statement on the South China Sea is, in fact, a lowest common denominator that invokes past ASEAN agreements pertaining to the rule of international law, self-restraint, the non-use of force, and the peaceful resolution of disputes. In essence, these stipulations can be found in ASEAN's 1976 Treaty of Amity and Cooperation, which both China and the United States have signed. Nevertheless, the SCS statement contains no mention of Scarborough Reef, nor is it a substitute for a joint communiqué, which would have also covered the ministerial discussions pertaining to several topics that looked toward the creation of an ASEAN Community in 2015. The Code of Conduct will undoubtedly appear again on the agenda of the ASEAN summit in November. However, there is some question whether China would be willing to negotiate a Code of Conduct with ASEAN as a whole or would prefer to shelve the draft and deal only bilaterally on rules for the South China Sea with each of the other claimants. Beijing insists that South China Sea conflicts are exclusively bilateral and, therefore, inappropriate for multilateral venues – in effect, dismissing the dispute resolution provisions of the UN Convention on the Law of the Sea (UNCLOS). Although the original ASEAN five (Malaysia, Thailand, Singapore, Philippines, Indonesia) plus Vietnam agreed that ASEAN should speak with one voice, there was no evidence that Laos or Myanmar (Burma) agreed. Their apparent silence at the AMM suggests tacit support for Cambodia's decision to exclude the South China Sea conflicts from the final document.

As a key component of the Obama administration's post-Iraq/post-Afghanistan policy shift toward East Asia, Secretary of State Hillary Clinton has emphasized ASEAN's importance. Seen from Washington not only as an aggregation of economic high performers deeply committed to maintaining their members' autonomy, ASEAN also fits the US vision of friends and allies with whom it can collaborate to maintain regional stability. On July 11, at the US-ASEAN Post-Ministerial Conference, Secretary Clinton averred that "ASEAN plays an indispensable role in holding this region's institutional architecture together." In effect, this was a US recognition of the importance of the various Asian political-economic-security organizations – not only embedded ASEAN states – but also the Association's consensus rules of

agreement as well as ASEAN's dominant role in setting agendas. Clinton went on to point out: "We have more investment in ASEAN than we have in China." To buttress that assertion, she noted that she was leading "the largest ever delegation of American business executives [to attend] the first US-ASEAN Business Forum." Finally, as an indicator that Washington's interest in ASEAN went beyond political-security concerns, she announced a new program for US assistance to ASEAN, the Asia Pacific Strategic Engagement Initiative (APSEI) which seeks to more closely align US aid with mutually agreed priorities of the ASEAN states.

Although not involved in the ASEAN foreign ministers discussions on the South China Sea, Clinton met them, reiterating US neutrality with respect to sea-based claims, while insisting that they be resolved "without coercion, without threats, and without use of force" – language clearly directed at China. Indonesia's foreign minister praised Secretary Clinton for "showing interest but giving space" in the effort to reach agreement. Clinton also indirectly expressed disappointment that no ASEAN communiqué was issued after the AMM when she hoped that ASEAN could speak with "one voice" on issues of strategic importance. Earlier at a May ASEAN-US dialogue and at a meeting with ASEAN defense officials, US diplomats urged ASEAN to move forward with a Code of Conduct and even provided some input on provisions that might be included, according to an International Crisis Group report: [*Stirring Up the South China Sea \(II\): Regional Responses*](#), released on July 24.

In an Aug. 3 press statement by the Department of State, Washington again endorsed "ASEAN efforts to build consensus on a principles-based mechanism for managing and preventing disputes." The statement cited the Scarborough incidents and deplored "the use of barriers to deny access" – a clear reference to official Chinese maritime vessels blocking Manila's access. Looking forward, the State Department urged all claimants "to explore new cooperative arrangements for managing the responsible exploitation of resources in the South China Sea." Joint management of maritime resources, while postponing sovereignty decisions, would be the most effective way of reducing tensions, though such compromises do not appear on the horizon.

US continues to boost Philippine defense capacity

ASEAN's two most confrontational South China Sea claimants are the Philippines and Vietnam. With fishery, petroleum, and natural gas resources needed for each country's economic future, they both insist on claims to EEZ sea spaces based on their respective UNCLOS interpretations. The Philippines is the least able to enforce its claims. In addition to a very weak navy and a virtually non-existent air force, the Philippine military since independence has focused on multiple land-based insurgencies and has relied on the US to provide external security – at least until the early 1990s when Philippine bases were closed to US forces. Therefore, the army dominates. Under President Benigno Aquino, Manila has articulated a multi-pronged South China Sea strategy that includes an ambitious 15-year defense modernization plan divided into 5-year segments. The Philippine Defense Department has asked the country's Congress for \$1.724 billion from 2013-2017 to help create a "minimum credible defense posture." This budget would be spent on naval and air assets. According to Defense Undersecretary for Finance Fernando Manalo on June 2, the Philippine Armed Forces has identified 39 projects for implementation over the first five years: fighter trainer jets, close air support aircraft, long-range patrol aircraft,

and radar systems for coastal watch stations. These would help create “the capability to be able to monitor our maritime and aerospace.”

The other components of Manila’s strategy involve multilateral diplomacy through ASEAN-based organizations and pressure from friendly states to convince China to follow international law on the South China Sea disputes. Added to these are military aid and sales on discounted terms from the US, Japan, the ROK, France, and Italy among other countries to provide the Philippines with “domain awareness.” As pointed out in the May Center for Strategic and International Studies (CSIS) “Critical Questions” Series by Ernest Bauer and Gregory Poling, the inaugural 2+2 US-Philippine Ministerial Dialogue on April 30 led to the US provision of a second decommissioned Coast Guard cutter, increased US troop rotations, and joint training in the Philippines, including expanded joint exercises with the navy. Washington committed to almost double its military aid to \$30 million in 2012; the discussions also included the prospect of a transfer of a third cutter and a squadron of refurbished *F-16s*. Finally, Secretary of Defense Panetta promised to provide satellite surveillance of Philippine maritime territory in real-time. Despite the projected buildup of Philippine military capacity, it will take years – if ever – before the country possesses the capacity to monitor its sea and air spaces against external encroachments, much less defend its EEZ claims against a major power such as China. The most the Philippines may be able to achieve is to publicize violations of its sea space, thus calling global attention to the violators. Moreover, Manila does not have a good record in maintaining military equipment or support infrastructure such as air fields, radar facilities, and docks. Nor are its forces up-to-date in training pilots, ground crews, and ship personnel.

In hopes that Washington will assist in boosting these capabilities, President Aquino has stated he may be open to the idea of allowing US forces more access to Philippine bases and greater training opportunities with Philippine forces. If implemented, this enhanced US presence could bump up against the Philippine constitution’s prohibition against the permanent stationing of foreign troops in the country. Sensitive to this possibility, Secretary Panetta has cited the new US arrangement with Australia for the annual rotation of up to 2,500 marines through Darwin as a model for more US forces in the Philippines. In fact, there is also a local precedent: the ongoing presence of a few hundred US Special Forces personnel who have rotated through Mindanao for several years to train Philippine forces in counterinsurgency against the al-Qaeda-linked *Abu Sayyaf*.

In an early June visit to Washington, President Aquino obtained a pledge from President Obama that the two countries “would consult closely together” as part of “the announced pivot by the United States to Asia.” While both presidents agreed that there must be “a strong set of international norms and rules governing maritime disputes in the region,” at the same time in a Washington speech, Mr. Aquino averred: “It is not our intention to embroil the United States in a military intervention in our region.” US officials have said on a number of occasions over an extended period that the 1951 Mutual Defense Treaty refers only to an attack on Philippine territory and does not cover disputed areas such as Scarborough Reef or the Spratly Islands.

During the Aquino visit, Secretary Clinton expanded US efforts to improve the Philippines own surveillance capabilities by announcing that the US would build and provide training for a national Coast Watch Center. This would add to the Coast Watch South radars that originally

detected Chinese fishing boats by Scarborough Reef earlier this year. On June 14, the Philippine military applauded Clinton's announcement, noting that a national coast watch radar system would "not only help us prevent foreign intrusions but will also aid us in addressing transnational crimes like poaching, human trafficking, piracy and drug trafficking."

The 2012 joint US-Philippine *CARAT* naval exercise that began on July 8 selected Mindanao as the venue because of the presence of coastal watch stations to demonstrate the utility of real-time maritime intelligence. Philippine leftists denounced the plan as the creation of a permanent US "spy base" on Philippine territory and a "clear violation of Philippine sovereignty."

Vietnam and the United States: a budding courtship

For Hanoi, closer security relations with the US treads a fine line between sending a message to Beijing that a great power backs Vietnam's approach to the SCS conflicts, while not becoming so closely tied to Washington that China concludes Vietnam is an enemy. Illustrative of this principle are the "naval exchange activities" that began in July 2011 and continued in late April this year. Ships of the two navies engage in noncombatant events such as medical skills, navigation, and firefighting. These follow several successful port visits going back to 2009 and contracts for the repair of five US Navy Sealift Command ships at Vietnamese shipyards, including Cam Ranh Bay. (Note that none of the ships docking in Vietnamese ports for servicing are combatants.)

Vietnam first opened Cam Ranh Bay for commercial repair facilities to the navies of the world in 2009, and the US was the first country to accept the offer. In early June, Secretary of Defense Leon Panetta made a brief visit to Cam Ranh Bay after speaking at the Shangri-La Dialogue in Singapore. This was the first visit by a US defense secretary to Cam Ranh Bay since the end of the Vietnam War. He stated: "Access for US naval ships into this facility is a key component of this relationship, and we see a tremendous potential here." Panetta's consultations in Hanoi were part of an agreement reached in 2003 to exchange visits by defense ministers every three years. Since 2010, the defense discussions were upgraded to a Defense Policy Dialogue. In a June 11 article published by the US Naval Institute, Carlyle Thayer – a well-known Vietnam military analyst – noted that Washington initiated the sale of non-lethal defense equipment and services to Vietnam in 2007 during the Bush administration on a case-by-case basis. This year, Vietnamese Defense Minister General Phung Quong Thanh in a joint press conference with Panetta stated that Vietnam wanted the restriction prohibiting the sale of lethal defense items lifted by the US "to fully normalize relations between the two countries." He explained that Vietnam would first like spare parts to overhaul US equipment acquired by Vietnam's armed forces at the end of the Vietnam War. Then, Hanoi would like to be able to "purchase certain kinds of weapons for the potential modernization of our military." Prior to Panetta's visit, US Senators John McCain and Joe Lieberman were in Vietnam and given a wish list of military equipment Hanoi would like to purchase. The two senators reiterated a position taken by the State Department that any further upgrade of military ties depended on Hanoi improving the country's human rights situation.

Expanding security relations with the United States supplements Hanoi's long-standing defense relationship with Russia, which has supplied most of Vietnam's military equipment. Meanwhile,

Vietnam has also enhanced its relationship with the Indian military, conducting joint naval and jungle warfare training. Last September, Delhi reportedly agreed to help train Vietnamese in submarine operations. Given that the Vietnam Navy has no prior experience in underwater operations and is acquiring new *Kilo*-class submarines, India's help would be significant. Defense ties with ASEAN states, India, Russia, and the US will aid Hanoi in achieving its strategic goal of becoming a center of regional maritime interests in Southeast Asia.

US eases Myanmar sanctions

The Obama administration continues its gradual normalization of relations with Myanmar (Burma) in response to its recent political and economic reforms. On May 17, Washington announced the suspension of a number of sanctions, noting, however, that they were not yet revoked in case Nyawpidaw retrogressed. US companies may remain wary about significant new investments until laws are passed protecting foreign investors and an independent judiciary is created. In its May 18 *Critical Questions* issue, CSIS Southeast Asia Program directors Ernest Bower and Murray Hiebert reviewed the impact of relaxed sanctions, noting that Washington retains its arms embargo and the prohibition on US firms doing business with Myanmar military companies. Local businesses involved in human rights violations were also off limits.

The US has proceeded with other positive initiatives including the appointment of an ambassador, Derek Mitchell, the establishment of a US Agency for International Development mission, the withdrawal of opposition to United Nations Development Program projects, and invitations to key government officials and other prominent Burmese to visit the US. On July 11, Washington announced that US companies could now invest in and work with Myanmar oil and gas companies. While US companies can now build factories and transfer funds through banks to finance these projects, if their investments exceed \$500,000 they must file reports annually on their policies governing human rights and anti-corruption. Nevertheless, the investment environment remains problematic. Infrastructure has been neglected for decades, electricity is erratic, roads and ports are insufficient, and a skilled work force is lacking because of a long broken education system. These are daunting obstacles that will not be overcome in a short time.

Finally, it is worth mentioning that Washington has hinted that some form of military cooperation could occur in the future. Secretary of Defense Panetta at the Shangri-La Dialogue signaled that Myanmar's political reforms could pave the way for bilateral military engagement, though no specifics were delineated. In general, the new US military strategy for Asia emphasizes joint training that could lead to professionalization of the Myanmar military. The country's current leadership has signaled to Washington that Myanmar is terminating its North Korean-assisted nuclear program, thus providing an opening for a US security initiative – though nothing has occurred to date.

Revisiting the US security position in Southeast Asia

US political leaders continued to trumpet Asia's importance to US security through rebalancing. At the June 2 Shangri-La Dialogue, Secretary Panetta presented a detailed explanation of the new policy that included a vision of Southeast Asia's role. Acknowledging that the US military

presence will be smaller, he emphasized its flexibility, rotational deployment plans, technological superiority, and – above all – the “creation of new partnerships and alliances.” In addition to traditional treaty partners Australia, Philippines, and Thailand, Panetta referred to India, Singapore, and Indonesia as “key partners” and stated that “other nations” would also be sought for new security relationships. High on that list were Vietnam and Malaysia. In effect, the majority of Southeast Asian states made the list of important security relationships. The secretary reviewed the need “to work more effectively with partners in Southeast Asia and the Indian Ocean,” giving a particular focus to natural disasters and maritime security. While eschewing the notion of any new bases in Southeast Asia, Panetta pointed to the forward deployment of the new US littoral combat ships to Singapore. These enhanced security ties over the next few years “will increase the number and size of our exercises in the Pacific” as well as “the important Indian Ocean region.” Despite a smaller defense budget and a reduced number of forces, the US appears to be adding the Indian Ocean to its Southeast Asian security purview. Working with partners has the goal of “build[ing] their capabilities so that they can secure and defend themselves.” In sum, the US is deemphasizing its unilateral responsibilities for Asian security and may now see itself as the “prime coordinator.”

Indicative of this approach was the largest-ever Rim of the Pacific (*RIMPAC*) biannual navy exercise that ran from June 23-Aug. 7. Some 22 countries participated in waters off Hawaii with 42 surface ships, six submarines, more than 200 aircraft, and 25,000 personnel. Some of the US ships experimented with a 50/50 blend of traditional petroleum-based fuel and biofuel made from waste cooking oil and algae oil, leading to a description of these efforts as the “Great Green Fleet.” While Russia, India, and the Philippines joined *RIMPAC* for the first time, China was not invited – in this author’s view a mistake that only serves to increase Beijing’s suspicions that US-led exercises have a China containment purpose.

Notwithstanding closer US military links with Singapore, Indonesia, the Philippines, Vietnam, and Thailand that, according to US Chairman of the Joint Chiefs of Staff Gen. Dempsey, would have a “rotational presence that would allow us to build up common capabilities and interests,” some suspicion about US motives remain. A recent case in point is Thailand where the US National Aeronautic and Space Administration (NASA) proposed setting up a joint hub at Utapao Air Base that would help Southeast Asian countries improve their early warning systems for weather-related disasters. When Gen. Dempsey visited Thailand in June, he explained this would be a cooperative effort with Bangkok’s Meteorological Department that could reduce disaster risks for the whole region. Nonetheless, the proposal immediately became embroiled in Thai domestic politics as the opposition Democrat Party alleged that NASA flights could be used to gather strategic information that might harm national security. Additionally, US government flights operating regularly out of Thailand might raise suspicions in neighboring countries – particularly Cambodia, Vietnam, and China. At the very least, according to the opposition Democrats, the NASA request was sufficiently sensitive that a full-scale parliamentary debate on its merits should be held and the matter should be designated in a treaty, entailing legislative approval. (Prime Minister Yingluck Shinawatra preferred the NASA request be treated as an executive agreement requiring only her government’s approval.) In late June, the US Embassy in Bangkok issued a statement insisting that the NASA proposal was totally a scientific endeavor having nothing to do with political and security issues.

In fact, the project was first tentatively approved in 2010 when the current opposition Democratic Party was the ruling party. At that time, the arrangement was to be treated as an executive agreement, not a treaty. The contrast with the annual *Cobra Gold* multinational military exercise in which large numbers of US military equipment and personnel are on Thai territory for weeks is particularly instructive as no protest in parliament has ever accompanied *Cobra Gold*. Ultimately, NASA cancelled the project in late June because it was scheduled for August, and time constraints would no longer fit the technical requirements. Beyond the bitter Thai domestic politics could also be a Thai hedging strategy. Some politicians in both parties perceived the NASA proposal as a component of the US “pivot” to Asia and, therefore, designed as part of a China containment policy. Bangkok is not involved in the South China Sea standoffs and maintains vibrant economic relations with China – it is Thailand’s largest export market. The rejection of the NASA project could also be seen then, as a gesture to Beijing that Thailand would not become too closely aligned with the US despite the continuation of *Cobra Gold*.

An Assessment

The current toxicity of US politics is affecting prospects for success in the US “rebalance” to Asia, including Southeast Asia – specifically, the “fiscal cliff” looming at the beginning of 2013. In addition to the almost \$500 billion that has already been cut from the US defense budget over the next decade, the 2011 Budget Control Act would deduct another almost \$500 billion if Congress fails to pass a deficit reduction bill by Jan. 2, 2013 through sequestration. Draconian budget cuts of this dimension could negatively impact a number of US plans for Southeast Asian security ties – among them, enhancement of port facilities in Thailand to accommodate more ship visits; funding greater naval accommodations in the Philippines at Subic Bay and the former Clark Air Base; increasing the number of ship visits to Vietnam; rotating 2,500 marines annually for exercises in Darwin, Australia; and maintaining up to four new littoral combat ships in Singapore that would also visit other Southeast Asian ports. These plans would undoubtedly be reduced if sequestration takes hold. Following a reduction or even stagnation of the US naval and air presence in Southeast Asia could be decisions by regional political leaders to decrease their reliance on Washington and hedge their bets with Beijing, particularly with respect to the possibility of the latter’s future dominance in the South China Sea. At the very least, the loss of \$1 trillion in the US defense budget over the next 10 years seems to portend increased external security instability for Southeast Asia.

Chronology of US - Southeast Asian Relations May - August 2012

May 2, 2012: A 2+2 Meeting between the US and Philippine foreign and defense secretaries is held in Washington.

May 4, 2012: Philippine government releases a statement that the US will double foreign military financing to Manila in 2012 from \$11.9 million to \$20 million and provide real-time surveillance information on intrusions in Philippine territorial waters.

May 10, 2012: Philippine Foreign Secretary Albert del Rosario claims the Mutual Defense Treaty with the US covers territories west of the country where Scarborough Reef is located.

May 15-18, 2012: Malaysian Prime Minister Najib Razak visits the US to promote business ties between the two countries.

May 17, 2012: The Obama administration lifts most of the economic sanctions on Myanmar, opening the way for US investors for the first time in decades. Yangon's foreign minister is present in Washington for the announcement.

May 17, 2012: President Obama nominates his special envoy to Myanmar, Derek Mitchell, to be the US ambassador.

May 20-22, 2012: US and ASEAN officials meet in Manila to discuss security cooperation, trade, and investment.

May 24, 2012: US Ambassador to Malaysia Paul Jones states that the US Government will send 300 English language teachers to Malaysia under a bilateral education cooperation agreement.

May 24, 2012: The US Navy supply ship *USNS Richard Byrd* docks at Cam Ranh Bay, Vietnam, for a two-week refitting visit.

June 1-3, 2012: At the Shangri-La Dialogue in Singapore, US Defense Secretary Leon Panetta says Washington would consider a defense relationship with Burma if it continues on the path to democratic reform. He also reviews US defense policy toward Asia.

June 3-4, 2012: Chairman of the US Joint Chiefs of Staff Gen. Martin Dempsey visits the Philippines and meets counterpart Gen. Jessie Dellosa to discuss regional security and the Mutual Defense Treaty.

June 3-5, 2012: Secretary of Defense Panetta visits Vietnam, including Cam Ranh Bay where he addresses the crew of the *USNS Richard Byrd* in port for repairs.

June 6-9, 2012: Philippine President Benigno Aquino makes his third visit to the US, stopping in Washington, DC and Los Angeles. He meets President Obama on June 8.

June 11, 2012: The US expresses concern over the sectarian violence in western Myanmar's Rakhine states and urges restraint and an end to the attacks on the Rohingya people.

June 12, 2012: Cambodian Foreign Minister Hor Namhong visits Washington. Secretary Clinton raises human rights concerns.

June 14, 2012: The US and Thailand hold a Strategic Dialogue in Washington.

June 20, 2012: The US and New Zealand sign an agreement to expand defense cooperation though it does not alter Wellington's 1985 ban on port visits by nuclear-armed US warships.

June 20-24, 2012: Assistant Secretary of State for Political-Military Affairs Andrew Shapiro visits Vietnam, Brunei, and Thailand. He attends the fifth US-Vietnam Political, Security and Economic Dialogue in Hanoi.

June 27-August 7, 2012: The biannual *RIMPAC* exercises are held in and around the Hawaiian islands with 22 countries participating. The five original ASEAN members participate (Thailand, Malaysia, Singapore, Philippines, Indonesia); the most recent members (Cambodia, Laos, Brunei, Vietnam, Myanmar) do not.

June 29, 2012: US exempts Singapore from a law about to take effect imposing financial sanctions on countries still buying Iranian oil.

June 29, 2012: US Senate confirms Derek Mitchell as the first US ambassador to Myanmar in more than two decades.

July 2, 2012: The US Navy and Coast Guard join the Philippine Navy in the annual Cooperation Afloat Readiness and Training (*CARAT*) exercises – for the first time off the coast of Mindanao.

July 10, 2012: In Hanoi, Secretary of State Clinton reiterates support for a Code of Conduct on the South China Sea disputes.

July 11, 2012: In a visit to Laos, Secretary Clinton promises aid to help neutralize millions of unexploded bombs dating back to the Vietnam War era.

July 11, 2012: The US announces the lifting of sanctions on Myanmar ending the prohibition of investments by US companies in Myanmar's oil and gas.

July 12-13, 2012: At the ASEAN Regional Forum annual meeting in Phnom Penh, Secretary Clinton expresses support for a Code of Conduct on the South China Sea currently being negotiated by ASEAN.

July 12-13, 2012: The fifth Lower Mekong Initiative (LMI) Ministerial Meeting takes place in Phnom Penh. Secretary Clinton announces \$10 million in funding for LMI as part of a new Asia Pacific Security Engagement Initiative.

July 13, 2012: The ASEAN Foreign Ministers fail to reach an agreement on a South China Sea Code of Conduct and for the first time in their 45-year history fail to issue a final communiqué at their annual meeting.

July 14-15, 2012: US Undersecretary of State Robert Hormats accompanies a US-ASEAN Business Council delegation to Myanmar.

July 14-24, 2012: Vietnam Defense Minister Nguyen Chi Vinh visits the US to discuss legacies of the Vietnam War, particularly unexploded munitions and Agent Orange victims.

July 16, 2012: US Pacific Commander Adm. Samuel Locklear visits Manila and meets President Aquino and senior foreign and defense officials. He pledges US assistance to build a Philippine “minimum credible defense posture.”

July 17-27, 2012: The 18th Singapore and US *CARAT* Exercise is held in the South China Sea. Singapore and US navies and air forces plus US Coast Guard and Marines participate.

July 26, 2012: Six senators introduce a resolution in the US Senate urging China and the members of ASEAN to make progress toward developing a legally binding Code of Conduct for the South China Sea.

July 27-Aug. 16, 2012: Singapore, Thai, and Indonesian air forces participate with their Australian and US counterparts in the biannual air combat exercise, *Pitch Black*, held in Darwin, Australia. The exercise involves 2,500 personnel.

Aug. 1, 2012: State Department’s annual Country Reports on Terrorism finds “no direct evidence” that militants in southern Thailand have links to international terrorists. The report urges Thailand to improve its suppression of money laundering which funds terrorist operations.

Aug. 2, 2012: US Congress extends a ban on imports from Myanmar, seeking to maintain pressure despite recent Myanmar reforms that have prompted the easing of other sanctions.

Aug. 3, 2012: State Department posts a press release supporting ASEAN’s July 20 Six Point Statement on the South China Sea and urging ASEAN and China to proceed toward a Code of Conduct and seek cooperative arrangements to manage South China Sea resources.

Aug. 7, 2012: State Department issues a statement criticizing Bangladesh for closing non-governmental relief organization efforts to support Rohingya refugees from Myanmar who are seeking safety in Bangladesh.

Aug. 7-10, 2012: US Navy Secretary Ray Mabus visits Singapore, praising strong naval ties between the two countries.

Aug. 7-12, 2012: Former Thai Prime Minister Thaksin Shinawatra visits the US. However, his visa precludes a stop in Washington, DC. Thaksin meets supporters in New York and Los Angeles, though some opponents also protest his visit.

Aug. 9, 2012: US inaugurates its first Agent Orange cleanup in Vietnam at a former US air base in Danang. The cleanup is funded by USAID with a budget of \$43 million and has a scheduled completion date of 2016.

Aug. 12, 2012: Malaysian Deputy Prime Minister Muhyiddin Yasin states that China has replaced the US as the number one destination for exports, thus reducing Malaysia’s dependence on a weakened US economy.

Aug. 15, 2012: Visiting US Congressman David Dreir urges Malaysia to join the US-led Trans-Pacific Partnership (TPP), emphasizing the importance of Malaysia-US trade and investment.

Aug. 15, 2012: US Ambassador to Thailand Kristie Kenney states that the provision of a visa to former Thai Prime Minister Thaksin had no bearing on Thai domestic politics but was done according to US laws and was not a political issue.

Aug. 16, 2012: *Bangkok Post* reports that Thai Defense Minister Sukumpon Suwanat was asked by the Burmese military to seek US permission to observe the *Cobra Gold* exercise.

Aug. 23, 2012: Indonesian Defense Minister Purnomo Yusgiantoro announces that the US has offered 10 *F-16* combat aircraft to Indonesia. If accepted, they would form a second squadron of *F-16s* in the Indonesian Air Force.

Aug. 24, 2012: *Washington Post* reports that US Ambassador to Myanmar Derek Mitchell has asked the Burmese government to make public prison and court records so people can get some idea of how many political prisoners remain incarcerated.