



**Regional Overview:**

**Renewed Hope in the Year of the Golden Pig**

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The Year of the Golden Pig has gotten off to an auspicious beginning. The Six-Party Talks, seemingly left for dead at the end of last quarter, were miraculously revived, resulting in an “action for action” game plan for the phased implementation of the September 2005 joint denuclearization agreement. Neither weather nor terrorism concerns prevented the second East Asia Summit from taking place as rescheduled, with the U.S. nowhere to be found. ASEAN leaders also took a step forward in examining their first formal Charter while agreeing with their Plus Three partners (China, Japan, and South Korea, finally once again on speaking terms) to promote greater regional integration. Tokyo and Canberra took a dramatic step forward in strengthening bilateral security cooperation, while the second “Armitage-Nye Report” was released, laying out a bipartisan vision for “getting Asia right.”

**Korean Peninsula disarmament talks resume**

The previous two quarters had begun with a blast-off and a bang, respectively, as North Korean missile and nuclear tests had raised the ante and seemed to diminish the prospects for a negotiated denuclearization of the Korean Peninsula, the promises embodied in the September 2005 Joint Statement notwithstanding. Last quarter ended on an equally pessimistic note when the first round of Six-Party Talks in 13 months went nowhere; the participants could not even agree on a date to meet again.

Obituary notices turned out to be premature, however, with not one but two Six-Party Talks plenary sessions taking place this quarter. The first represented a potential breakthrough, providing a specific set of actions to be accomplished within a 60-day window; the second showed that the process still wasn’t going to be easy – while “checkbook diplomacy” might work with Pyongyang, “the check’s in the mail” diplomacy most decidedly will not.

The first six-party session, in Beijing in early February, was preceded by two bilateral U.S.-DPRK meetings, the first involving the primary U.S. Six-Party Talks negotiator, Assistant Secretary of State Christopher Hill, and his North Korean counterpart, Vice Foreign Minister Kim Kye Gwan, in Berlin in mid-January. While Hill insisted that this represented “discussions,” not negotiations, apparently there were enough secret

handshakes to persuade Pyongyang to return to the six-sided table. The second bilateral dialogue was held in Beijing between the Treasury Department's deputy assistant secretary for terrorist financing and financial crimes, Daniel Glaser, and the head of North Korea's Foreign Trade Bank, O Kwang Chol. Glaser crowed that "we have been vindicated with respect to our [money laundering] concerns," but added that the two sides were now in a position "to start moving forward and trying to bring some resolution to this matter."

*Action plan agreed upon . . .*

While "resolution" has proven elusive, enough progress was made in these bilateral sessions to permit the convening of the third session of the fifth round of Six-Party Talks from Feb. 8-13 in Beijing. The resulting "joint agreement on North Korea's nuclear disarmament" laid out a series of actions that the parties agreed to take "in parallel" during an initial 60-day phase and a "next phase" of unspecified duration.

The 60-day action plan called on the DPRK to: shut down and seal for the purpose of eventual abandonment the Yongbyon nuclear facility, including the reprocessing facility; invite back IAEA personnel to conduct all necessary monitoring and verifications as agreed between IAEA and the DPRK; discuss with other parties a list of all its nuclear programs; and start bilateral talks respectively with the U.S. and Japan aimed at normalizing relations. In return, the parties would provide "emergency energy assistance" to Pyongyang, with the equivalent of 50,000 tons of heavy fuel oil to be provided during the initial phase. The next stage includes "provision by the DPRK of a complete declaration of all nuclear programs and disablement of all existing nuclear facilities" in return for "economic, energy, and humanitarian assistance up to the equivalent of 1 million tons of heavy fuel oil." While the agreement "reaffirmed their common goal and will to achieve early denuclearization of the Korean Peninsula," there is no specific reference to the disposition of any existing DPRK nuclear weapons (or even a prohibition against future nuclear weapons tests – U.S. intelligence now claims the October 2006 test was a failure).

The Feb. 13 statement also established five working groups, each with a different convener (and none chaired by North Korea), dealing with Denuclearization of the Korean Peninsula (China), Normalization of DPRK-U.S. Relations (U.S.), Normalization of DPRK-Japan Relations (Japan), Economy and Energy Cooperation (ROK), and Northeast Asia Peace and Security Mechanism (Russia). All were to (and did) meet within 30 days. Details of the various working group meetings remain sketchy. The DPRK-Japan session in Hanoi on March 7-8 apparently did not go well; the DPRK representatives left early due to displeasure with Japan's persistent stance on the abductees issue (which Pyongyang claims has been "resolved," although obviously not to Tokyo's satisfaction). At the March 17-18 denuclearization meeting in Beijing, Pyongyang reportedly demanded that it be recognized as a nuclear weapons state as a condition for incapacitating its nuclear facilities, a demand the others rejected.

*... but “technical issues” remain*

Working group findings were supposed to be reviewed at the first session of the sixth round of Six-Party Talks in Beijing on March 19-22. This session turned into a repeat of the December meeting, with the others wanting to move on beyond the “resolved” financial sanctions issue, only to have Pyongyang stubbornly insist that its definition of resolved was money in the bank – in this case, a deposit of up to \$25 million dollars from Banco Delta Asia (BDA) into a Bank of China account in Pyongyang’s name, with the money to be used “solely for the betterment of the North Korean people, including for humanitarian and educational purposes.” The U.S., as promised, completed its BDA investigation, and at yet another bilateral meeting with the DPRK, paving the way for the money (at Pyongyang’s suggestion) to be transferred into the above-mentioned account. However, “technical issues” prevented the money from being transferred by meeting time and the North was still singing “show me the money” at quarter’s end.

Despite this setback, Ambassador Hill was still optimistic: “It is our strong view that we are still on schedule to meet all the 60-day requirements,” Hill said, further opining that there was “a pretty good shot” that the next stage – “that includes disablement, a full declaration, all of those things” (including the equivalent of 1 million tons of heavy fuel oil in economic assistance) – could be achieved before the end of the year. (Then again, Hill also believes the Red Sox will beat the Yankees this year, and what are the odds of that?)

*Testing (everyone’s) sincerity*

Even if the 60-day milestones are met – and one cannot help but be skeptical – the initial phase represents only a modest step forward; the shut-down at this stage is not yet irreversible and no denuclearization actually takes place. It does at least temporarily prevent the situation from getting worse, however, and at this point, that must be seen as progress. More importantly, the 60-day action plan provides an opportunity to test DPRK (and U.S.) seriousness and sincerity. Even the most ardent supporters of direct negotiations with Pyongyang have always added the caveat that no one knows for sure if North Korea is really willing to give up its nuclear weapons. The argument was that we would never know unless we tested the proposition. Well, the test has begun, and it has a 60-day initial expiration date.

The real test is not the Yongbyon freeze but the “list of all its nuclear programs” that Pyongyang must discuss with the other parties within the specified 60-day first stage. This specifically includes the plutonium extracted from used fuel rods, which is currently unaccounted for. From a U.S. perspective (but not specified in the Joint Agreement, other than under the “all its nuclear programs” caveat), it must also include an acknowledgment of a suspected highly enriched uranium (HEU) program.

It is hard to imagine how the process could proceed without some accounting for the centrifuges and other uranium enrichment equipment clandestinely provided to North Korea through the since exposed and confirmed A.Q. Khan nuclear suppliers network.

Ambassador Hill has reportedly delivered this message, very specifically and most pointedly, to Pyongyang. The bigger question is whether Washington has made this point equally clear to the other parties and if they too are prepared to treat HEU as a “pass-fail” issue. If not, we will be right back where we started, with Pyongyang once again playing Washington and its other negotiating partners against one another.

### **Sun (finally) shines on ASEAN**

Multilateralism was also the order of the day in East Asia writ large, with a panoply of ASEAN-related meetings taking place early in the quarter in Cebu, culminating in the surprisingly productive second East Asia Summit (EAS). Other meetings included the 12<sup>th</sup> ASEAN summit, the 10<sup>th</sup> ASEAN Plus Three Summit, the seventh Plus Three Summit, and various 10+1 summits between ASEAN and its dialogue partners. All were originally scheduled for December, but were postponed by their Philippine host because of an approaching typhoon (and rumored reports of possible terrorist attacks).

#### *Second East Asia Summit focuses on energy and economic cooperation*

As host of all the Philippine-based events, President Gloria Macapagal-Arroyo chaired the second EAS or so-called 10+3+2+1 gathering involving the 10 ASEAN states, their long-standing Plus Three partners (China, Japan, and the ROK), plus Australia and New Zealand, and India. By design, no new members were inducted and, unlike last year, President Putin was nowhere to be found – he had visited Kuala Lumpur coincident with the first EAS in December 2005 and was invited to address the group as a special guest. Moscow has applied to join and meets all the membership criteria; Washington has not, and does not – members are required to accede to ASEAN’s Treaty of Amity and Cooperation (TAC), which Washington has historically been reluctant to do.

In addition to its traditional Chairperson’s Statement, EAS participants signed the Cebu Declaration on East Asian Energy Security, whose lofty goals included a joint commitment to:

- Improve the efficiency and environmental performance of fossil fuel use;
- Reduce dependence on conventional fuels through intensified energy efficiency and conservation programs, hydro-power, expansion of renewable energy systems and bio-fuel production/utilization, and for interested parties, civilian nuclear power;
- Encourage the open and competitive regional and international markets geared towards providing affordable energy at all economic levels;
- Mitigate greenhouse gas emission through effective policies and measures, thus contributing to global climate change abatement; and
- Pursue and encourage investment on energy resource and infrastructure development through greater private sector involvement.

As is the case with most ASEAN-related efforts, no specific targets were designated and no penalties were attached to non-compliance. Instead, members were merely called upon to “take concrete action toward improving efficiency and conservation, while enhancing

international cooperation through intensified energy efficiency and conservation programs,” and to “set individual goals and formulate action plans voluntarily for improving energy efficiency.”

EAS members also welcomed Japan’s proposal for an Economic Research Institute for ASEAN and East Asia (ERIA) and agreed to a track-two (unofficial, nongovernmental) study on a Comprehensive Economic Partnership in East Asia (CEPEA) among EAS participants. The Chairperson’s Statement also “reiterated our support for ASEAN’s role as the driving force for economic integration in this region.”

#### *ASEAN Charter “Blueprint” put forward*

The 12<sup>th</sup> ASEAN Summit, held Jan. 13, focused on “how we may deepen ASEAN integration to better foster the region’s sustainable development, stability, security and prosperity.” It reflected increasing concern about ASEAN’s ability to lead and tackle the truly difficult challenges faced by its members and a desire, at least among some participants, to do something about the perceived growing sense of drift within the group.

The chairman’s statement flagged the usual concerns: protecting migrants, HIV and AIDS, eradicating poverty and hunger, fighting transboundary pollution, energy security, and sustainable development. It called for denuclearization of the Korean Peninsula and “urged” the DPRK to desist from additional nuclear tests, to implement the Sept. 19, 2005 Joint Statement and to effectively address “humanitarian concerns of the international community.” It noted progress in implementing the ASEAN Security Community, flagging the First ASEAN Defense Ministers Meeting, among other items. The group also signed the ASEAN Convention on Counter Terrorism (ACCT) that obligates members to extend mutual legal assistance in criminal matters. The statement also “encouraged” Myanmar to make more progress toward national reconciliation. Significantly, it highlighted “the need to preserve ASEAN’s credibility as an effective regional organization by demonstrating a capacity to manage important issues within the region.”

Most significantly, the group signed the Cebu Declaration on the Blueprint of the ASEAN Charter, to manage “the key challenges of regional integration, globalization, economic growth and new technologies.” A High Level Task Force lead by Philippine diplomat Rosario Menalo was appointed to study the Charter recommendations submitted by the ASEAN Eminent Persons Group (EPG). A first draft is to be submitted at the ASEAN Ministerial in July; the intention is to have the final document ready to sign at the 13<sup>th</sup> ASEAN Summit in Singapore in November of this year.

As proposed by the EPG, the Charter reportedly would give ASEAN a stronger legal basis and better allow it to enforce its agreements and, for the first time, punish members who do not follow the rules. However, initial reports attributed to Task Force leader Menalo indicate that the controversial section recommending sanctions (including expulsion from ASEAN) for those violating the Charter has already been dropped. The EPG had also recommended that ASEAN relax its style of decision-making by full

consensus; it remains to be seen if this suggestion, and those aimed at strengthening human rights and opposing “extraconstitutional” methods of changing government will make the cut.

*ASEAN Plus Three remains the core of East Asia community building*

The ASEAN Plus Three (A+3) Summit highlighted ongoing cooperation and its extension into other areas, such as women, poverty alleviation, disaster management and minerals. Its closing statement flagged the “urgent need to address energy security,” and, like the EAS Statement and virtually all other official pronouncements, expressed support for the six-party process, the Sept. 19 Joint Declaration, and all pertinent UNSC resolutions dealing with Korean Peninsula denuclearization.

The A+3 statement underscored the Declaration of December 2005 that put the A+3 process “as the main vehicle in achieving ... an East Asia community, with ASEAN as the driving force.” It put ASEAN “at the center of our long-term pursuit of an East Asia community,” further noting that the APT process “could make positive contributions” and was “an essential part of the evolving regional architecture, complementary to the East Asia Summit and other regional fora.”

The EAS Chairman’s Statement further reinforced this point, expressing “our conviction that the EAS should remain outward looking, with ASEAN as the driving force working in close partnership with other participants of the East Asia Summit.” Rounding out and reconfirming the chorus, the Chairperson’s Statement from the ASEAN Summit meeting reaffirmed that “ASEAN should consolidate its leading and central role in the evolving regional architecture” and that “the ASEAN Plus Three process would be the main vehicle towards achieving an East Asia Community.”

*Plus Three: together again*

Of special significance was the Jan. 14 Seventh Plus Three Summit Meeting. This was the first such trilateral meeting since 2004; Japanese Prime Minister Koizumi Junichiro’s visits to Yasukuni Shrine effectively stopped the process. His successor, Abe Shinzo, has made outreach to China and South Korea a priority and it appears to have paid off with the resumption of this three-way summitry.

Abe, Chinese Premier Wen Jiabao, and ROK President Roh Moo-hyun all underscored the need for trust and cooperation among their three nations. They agreed to establish regular consultations among senior foreign affairs officials on issues of common concern; the first meeting will be held in China this year. (The fourth tripartite meeting of the countries’ foreign ministers took place in Cebu two days before the leaders met.) They identified new priorities in trilateral cooperation – finance, science and technology, public health, tourism, logistics and distribution, youth and teenager communication – and agreed to promote cultural exchanges to enhance understanding and friendship among the people of the three countries. All three countries will jointly hold “Year of Cultural Exchange among China, Japan, and Republic of Korea” in 2007.

The three men also condemned the North Korean missile and nuclear weapons tests. They pledged to work together to achieve a peaceful resolution of the North Korean nuclear issue through dialogue and negotiations and to realize the denuclearization of the Korean Peninsula. They also said they would cooperate to expedite the process of the Six-Party Talks, and they agreed to improve “coordination on major political and diplomatic issues involving the three countries as well as international and regional issues.”

### *Dialogue partners meet, and meet, and meet*

The ASEAN conclave includes numerous “10 on one” meetings with dialogue partners and other ASEAN-centered discussions. A quick rundown of the results follows; results from the 10<sup>th</sup> *ASEAN-China* dialogue are available in the chapter on China-Southeast Asia relations.

The 10<sup>th</sup> *ASEAN-ROK* summit report echoed the ASEAN statement, expressing concern about the DPRK’s missile and nuclear tests and calling for full implementation of the Sept. 19 Joint Statement in all its particulars. Seoul was applauded for announcing that it would double overseas development assistance to ASEAN member countries by 2009.

The fifth *ASEAN-India* summit statement welcomed Delhi’s “Look East Policy,” and expressed confidence in the realization of an ASEAN-India Free Trade Agreement. To promote people to people contacts, the two parties will launch a dialogue on an Open Skies Agreement to liberalize air services between ASEAN and India.

At the 10<sup>th</sup> *ASEAN-Japan* meeting, ASEAN leaders thanked Tokyo for another \$52 million in development aid, and Japan’s pledge to provide \$67 million – on top of \$150 million already disbursed – to help fight avian flu and other pandemic diseases and for Tokyo’s contributions to strengthening maritime security through capacity-building for ASEAN Member Countries. ASEAN applauded Japan’s youth exchange initiative (worth \$315 million over the next five years), which aims to bring 6,000 young people annually from ASEAN and other EAS member countries to Japan. Both sides are still determined to conclude their Comprehensive Partnership Agreement by April 2007, as scheduled; ASEAN noted that they expect “more than a compendium of Japan’s bilateral Economic Partnership Agreements with individual ASEAN Member Countries.”

### **Japan and Australia chart new ground**

Tokyo’s efforts to expand its regional profile did not stop with ASEAN or its various permutations. On March 13, Japanese Prime Minister Abe Shinzo and his Australian counterpart John Howard signed a joint declaration on security cooperation. The path-breaking statement builds on intensifying contacts between the two governments, both bilateral and trilateral (with the U.S.), and calls for yet more cooperation and consultation on issues of common strategic interest in the Asia-Pacific and beyond. The statement explicitly identified issues related to North Korea and terrorism. The two leaders pledged to strengthen cooperation at the UN and other international and regional organizations

and in activities such as peacekeeping and humanitarian relief operations. It should be noted that Australian forces provided security for Japanese Self-Defense Forces deployed in Iraq and they have worked side-by side in Cambodia and East Timor and during tsunami relief operations in Indonesia.

The declaration grounds their “strategic partnership” in “democratic values, a commitment to human rights, freedom, and the rule of law, as well as shared security interests, mutual respect, trust, and deep friendship, as well as [their] history of cooperation.” Reflecting Japanese constitutional limitations, the agreement is not a treaty, nor does it create an alliance. Nonetheless, it calls for security cooperation in law enforcement on: combating transnational crime; border security; counterterrorism; disarmament and counter-proliferation of weapons of mass destruction and their means of delivery; peace operations; the exchange of strategic assessments and related information; maritime and aviation security; humanitarian relief operations, including disaster relief; and contingency planning, including for pandemics.

The two countries will develop an action plan with specific measures to tackle these issues, will step up their foreign ministers’ strategic dialogue, create an annual defense ministers’ dialogue as well as a “2+2” meeting that brings all four ministers together, all to advance security cooperation in the above areas.

The two prime ministers also agreed to commence talks on a free trade agreement, the first round of which will be held in Canberra April 23-24. These talks will focus on procedures and frameworks for negotiations. There is no deadline for the FTA.

Reaction to the agreement was muted. There was applause from the U.S., which always seeks more cooperation among its allies. Supporters of a more robust security role for Japan also backed the deal; surprisingly there was little dissent in Australia, despite powerful anti-Japanese sentiment, a remnant of World War II. Even China’s response was relatively quiet: a Foreign Ministry spokesperson called on “relevant countries” to “take into consideration the concerns and interests of other countries when they strengthen bilateral security cooperation.” Commenting on statements by the Australian and Japanese leaders that their security pact is not aimed at China, the spokesperson said “we hope what they said is true.”

### **Armitage-Nye Two: “getting Asia right”**

Finally, the long-awaited follow-up to the first Armitage-Nye report on the U.S.-Japan alliance was released in February ([www.csis.org/media/isis/pubs/070216\\_asia2020.pdf](http://www.csis.org/media/isis/pubs/070216_asia2020.pdf)). While a detailed assessment of the report is in the chapter on U.S.-Japan relations, several points are worth noting here.

First, while the report is often associated with former Deputy Secretary of State Richard Armitage, it is in fact the “Armitage-Nye” report, as the study group was co-chaired by Dr. Joseph Nye, former assistant secretary of defense for international security affairs. It is a bipartisan blueprint for the U.S.-Japan alliance and the study group participants come



from both sides of the aisle. While the first report (which came out in October 2000) served as a master plan for the alliance during the first George W. Bush administration, it is not a Republican document.

The second key point is that the first report served as a roadmap for the alliance – because it enjoyed bipartisan support. In other words, alliance watchers would do well to study the new report to anticipate future developments.

Third, look at the subtitle: “Getting Asia right through 2020.” The report explains, “With half the world’s population, one-third of the global economy, and growing economic, financial, technological, and political weight in the international system, Asia is key to a stable, prosperous world order that best advances American interests.” Central to U.S. concerns is its alliance with Japan: “America’s future requires a robust, dynamic relationship with the new Asia of 2020, and the keystone of the United States’ position in Asia remains the U.S.-Japan alliance.”

Thus, the report frames the alliance within a regional context. It begins with a look at China, “the engine of regional growth and global dynamism,” and then turns to India, the Korean Peninsula, relations with South Korea, Southeast Asia, Australia, Russia, and Taiwan. Only half the report focuses on the U.S.-Japan alliance, although the specific recommendations for Japan, the U.S. and the alliance are likely to get the most attention. The broader point should also not be missed. It is not just U.S.-China relations that Washington must “get right,” but its relations with Asia writ large, including India, Korea, ASEAN, and elsewhere, but centered on its continued vital alliance with Tokyo.

### **Looking forward**

In all, it was a relatively quiet and potentially productive start to the new year. There could be fireworks next quarter, however. When and if the Six-Party Talks resume, North Korea’s sincerity and readiness to make a deal will be genuinely tested. There seems to be a real shift in the dynamics among the other five parties to the talks and Pyongyang’s antics may no longer be as tolerated as they were in the past. If this is true, genuine progress – or a real breakdown – is possible. The real challenge will be to keep the other five parties speaking with one voice if the North only partially complies with the action plan during the first 60-day test period.

The visit of Chinese Premier Wen Jiabao to Tokyo could solidify the turn in Japan-China relations; a visit by Prime Minister Abe to Yasukuni Shrine, increasingly possible as Upper House elections approach, could torpedo whatever gains are made. Abe will also make a long-overdue visit to Washington for a summit with President George W. Bush, and both men need to smooth growing wrinkles in that relationship. In the meantime, Mr. Bush’s team will be working on getting the U.S.-Korea free trade agreement through the Congress. Stiff opposition in Seoul and Washington is likely to singe that bilateral relationship, too. Foreign policy makers and analysts will have much to watch in the next three months.

## **Regional Chronology**

### **January-March 2007**

**Jan. 1, 2007:** Former South Korean Foreign Minister Ban Ki-moon assumes office as secretary general of the United Nations.

**Jan. 1, 2007:** President Chen's New Year's address stresses Taiwanese nationalism.

**Jan. 5, 2007:** U.S. approves President Chen's U.S. transits in San Francisco and Los Angeles en route to and from Central America.

**Jan. 7, 2007:** FM Li Zhaoxing calls Secretary Rice to protest U.S. transit decision.

**Jan. 9, 2007:** Japan Defense Agency becomes Ministry of Defense.

**Jan. 9, 2007:** Energy Secretary Bodman meets Minister of Economy, Trade, and Industry Amari Akira to discuss U.S.-Japan energy cooperation issues in Washington.

**Jan. 9, 2007:** The U.S. introduces a draft resolution in the UN Security Council calling on Burma to engage the opposition in "substantive political dialogue," cease continued attacks "in ethnic minority regions on civilians," and "desist immediately from the systematic use of rape on women and girls as an instrument of armed conflict."

**Jan. 9, 2007:** Chinese Foreign Ministry spokesman says that China strongly opposes the U.S. government's sanctions on Chinese companies on the basis of selling sanctioned weapons to relevant countries.

**Jan. 9, 2007:** President Chen overnights in San Francisco en route to Nicaragua.

**Jan. 11, 2007:** China destroys one of its own satellites using a ground-based medium-range ballistic missile; U.S. and other governments' protest.

**Jan. 11, 2007:** U.S. National Intelligence Director John Negroponte reports to the Senate Intelligence Committee that the emerging "rivalry with Russia will complicate cooperation on important foreign policy goals including counter-terror, nonproliferation and democracy promotion in the Middle East."

**Jan. 12, 2007:** China and Russia veto U.S.-backed resolution before the UN Security Council that condemns Burma's human rights violations, arguing that although Beijing and Moscow condemn the military junta's political tyranny, it does not threaten regional security, and, therefore, should not be a UNSC concern.

**Jan 12, 2006:** President Chen stops briefly in Los Angeles.

**Jan. 12-13, 2007:** Twelfth ASEAN summit is held in Cebu, the Philippines, along with a series of 10+1 meetings with dialogue partners.

**Jan. 14, 2007:** Tenth ASEAN Plus Three and Seventh Plus Three Korea-China-Japan Summit are held in Cebu.

**Jan. 15, 2007:** Second East Asia Summit is held in Cebu.

**Jan. 16-18, 2007:** U.S. Assistant Secretary of State Christopher Hill and DPRK Vice Foreign Minister Kim Gye-gwan, top negotiators in the Six-Party Talks, meet in Berlin for a U.S.-DPRK bilateral “discussion” to get the six-party process going.

**Jan. 20, 2007:** DNA tests confirm the death of Khaddafy Janjalani, nominal head of Abu Sayyaf, who was reportedly killed in a September raid by U.S.-backed Philippine troops in operation Oplan Ultimatum.

**Jan. 22, 2007:** Ambassador Hill visits Beijing and talks to Chinese Foreign Ministry officials about his meeting with DPRK officials in Berlin.

**Jan. 23, 2007:** Foreign Ministry spokesman confirms that China fired a missile to destroy one of its orbiting satellites, China’s first confirmation of the ASAT test.

**Jan. 23, 2007:** The governments of Japan and Russia hold a “strategic dialogue,” as their foreign vice ministers meet in Moscow.

**Jan. 25, 2007:** Top army commanders from South Korea and China announce plans to enhance military cooperation and improve military exchange programs during the visit to South Korea of PLA Deputy Chief of the General Staff Gen. Ge Zhenfeng.

**Jan. 25-26, 2007:** Tokyo hosts fourth Asian Senior-level Talks on Nonproliferation to discuss Iranian and North Korean nuclear developments and cooperation on nonproliferation.

**Jan. 25-27, 2007:** Chinese Vice FM Dai Bingguo and Japanese Vice FM Shotaro Yachi head seventh round of China-Japan strategic dialogues.

**Jan. 26, 2007:** Russian President Vladimir Putin arrives in India for a two-day visit.

**Jan. 28-Feb. 9, 2007:** A senior PLA delegation headed by Deputy Chief of Staff Gen. Ge Zhenfeng visits Hawaii, San Diego, and Washington, D.C.

**Jan. 29-Feb. 9, 2007:** U.S., Thai, and Singapore Air Forces conduct annual *Cope Thunder* air exercise from Korat, Thailand with 113 aircraft and 1,300 personnel.

**Jan. 30-Feb. 1, 2007:** U.S. Treasury Deputy Assistant Secretary for Terrorist Financing and Financial Crimes Daniel Glaser hosts talks to discuss Banco Delta Asia and counterfeiting concerns with DPRK officials at the U.S. Embassy in Beijing.

**Jan. 31, 2007:** U.S. Congressman Michael Honda (D-Ca) introduces nonbinding resolution in the House of Representatives calling for the Japanese government to apologize unambiguously for its role in the “comfort women” issue during World War II.

**Feb. 2, 2007:** Indonesia announces that the U.S. has given Jakarta permission to interview Hambali, a notorious Southeast Asian al-Qaeda operative, who was captured in Thailand in 2003. Hambali is being held in Guantanamo.

**Feb. 2, 2007:** The U.S. files a trade case against China at the WTO charging that China unfairly subsidizes its steel, information technology, wood, and other industries.

**Feb. 2, 2007:** The U.S. Peace Corps inaugurates its first mission to Cambodia since the Corps inception in 1962.

**Feb. 7-8, 2007:** The U.S. and ROK hold Security Policy Initiative talks.

**Feb. 8-13, 2007:** Third session of the fifth round of Six-Party Talks is held in Beijing, culminating in a phased “action for action” plan under which in return for heavy fuel oil and other economic assistance North Korea will shut down and seal the Yongbyon nuclear facility and bring IAEA inspectors to the DPRK.

**Feb. 10, 2007:** In a key policy speech at an international security conference in Munich, Russian President Vladimir Putin strongly denounces U.S. policy, using – among other terms – the words “pernicious” and “unacceptable.”

**Feb. 13, 2007:** Adm. Fallon, CENTCOM commander-designate, states he would seek support from Indonesia and Malaysia in the Afghan and Iraq conflicts, though he did not specify what kind.

**Feb. 13, 2007:** Lunar New Year/Spring Festival charter flights begin between Taiwan and PRC.

**Feb. 14, 2007:** FM Li Zhaoxing, Indian FM Pranab Mukherjee, and Russian FM Sergei Lavrov meet in New Dehli to exchange views on Iranian and North Korean nuclear issues, Middle East, Iraq, the Shanghai Cooperation Organization, and other regional and international issues.

**Feb. 15, 2007:** President Hu Jintao talks to President Bush on the phone and exchanges opinions on China-U.S. relations and the North Korean nuclear issue.

**Feb. 15-17, 2007:** FM Li travels to Japan to make preparations for Premier Wen Jiabao’s visit to Japan; meets Prime Minister Abe and Japanese FM Aso.

**Feb. 16, 2007:** “The U.S.-Japan Alliance: Getting Asia Right through 2020,” co-authored by Richard Armitage and Joseph Nye, highlights major trends in Asia and provides comprehensive analyses on of the security and economic situation in the region and policy recommendations.

**Feb. 19-March 4, 2007:** U.S. and Philippine military forces hold *Balikatan 2007* exercises in the Philippines.

**Feb. 19, 2007:** The U.S. announces that the multilateral *Cobra Gold* annual military exercise will take place in Thailand May 8-18.

**Feb. 20, 2007:** Assistant Secretary Hill says that the six-party agreement to end North Korea’s nuclear program has strengthened the diplomatic relationship between the U.S. and China.

**Feb. 20- 22, 2007:** Vice President Dick Cheney and Mrs. Cheney pay official working visit to Japan. Cheney receives in an audience with the Emperor and Empress of Japan, and then meets Prime Minister Abe.

**Feb. 21, 2007:** U.S. and China mark 35<sup>th</sup> anniversary of President Nixon’s visit to China.

**Feb. 21, 2007:** India and Pakistan sign a nuclear pact to reduce the risk of nuclear war by establishing a hotline between the two nations.

**Feb. 21, 2007:** Chairman of the U.S. House of Representatives’ International Relations Committee Tom Lantos arrives in Moscow for a two-day visit. In Moscow, Lantos pledges to help repeal the Jackson-Vanik Amendment, which prevents Russia from attaining permanent normal trading status with the United States.

**Feb. 23, 2007:** Defense Secretary Robert Gates and ROK Defense Minister Kim Jang-soo meet in Washington to reaffirm and to look at the future of the U.S.-ROK alliance. It is agreed that the Joint Forces Command will be disestablished on April 17, 2012.

**Feb. 25-28, 2007:** Japanese and Chinese diplomats hold seventh bilateral Strategic Dialogue in China.

**Feb. 28, 2007:** U.S. Department of Defense announces that it plans to sell Taiwan more than 400 missiles, as well as spare parts and maintenance equipment. China voices its strong dissatisfaction.

**March 1, 2007:** Japanese PM Abe fumbles questions on the Japanese government’s role in recruiting “comfort women” during War World II.

**March 1-6, 2007:** Newly appointed Deputy Secretary of State John Negroponte travels to Japan, South Korea, and China to discuss Iran, Iraq, Afghanistan, North Korea, regional security, the war on terrorism, and trade.

**March 4, 2007:** Taiwan President Chen announces “four wants and one have not”: that Taiwan wants independence, a new constitution, name rectification and further development, and there are no rightist and leftist divisions in Taiwan except for the debate on the issue of reunification and independence.

**March 5, 2007:** Abe reaffirms government will stand by Kono Statement on “comfort women.”

**March 4-16, 2007:** Fifth Plenary Session of the 10<sup>th</sup> National People’s Congress is held in Beijing. The NPC passes private property legislation, unified corporate tax rates for domestic and foreign companies at 25 percent; and all proposals and resolutions were for the first time fully translated into English.

**March 5-6, 2007:** The U.S. and North Korea hold working group meetings in New York to discuss the North Korean nuclear arms programs, removal of North Korea from the U.S. list of state-sponsor of terrorism, and normalization of relations.

**March 6, 2007:** U.S. State Department issues *2006 Country Reports on Human Rights Practices* as required by Congress in the Foreign Assistance Act of 1961.

**March 6, 2007:** ROK Ministry of Education and Human Resources Development announces that from 2012 South Korean high school textbooks will include information on South Korea’s historical and territorial disputes with China and Japan.

**March 7, 2007:** Defense Secretary Gates says at a Pentagon press roundtable that he does not view China as a strategic adversary despite Beijing’s growing military budget.

**March 7, 2007:** Pro-Beijing Hong Kong newspaper *Wen Wei Po* reports a PLA official stated off-the-record on the sidelines of the National People’s Congress that China could build its first aircraft carrier by 2010.

**March 7-8, 2007:** Japan and North Korea hold bilateral six-party working group talks in Hanoi, Vietnam, to discuss normalization of diplomatic relations and the abduction issues.

**March 8, 2007:** Chinese Information Office of the State Council releases *Human Rights Record of the U.S. in 2006* in response to the State Department’s *Country Reports on Human Rights*.

**March 10, 2007:** China and Russia, along with the U.S., France, England, and Germany, vote for UNSCR 1747 that bans all Iranian arms exports and freezes the financial assets of 28 Iranian officials and institutions.

**March 11, 2007:** Prime Minister Abe reiterates “unfeigned apology” to the “comfort women” and that he stands by the Kono Statement – Japan’s acknowledgement and apology for Japan’s military direct involvement in the running of the “comfort stations” – on a Sunday morning NHK program.

**March 11-14, 2007:** Australian Prime Minister John Howard visits Japan and signs the Japan-Australia Joint Declaration of Security Cooperation that provides for diplomatic and military cooperation including periodical dialogues and joint exercises.

**March 12, 2007:** Adm. Fallon relinquishes command of U.S. Pacific Command and moves to U.S. Central Command.

**March 12, 2007:** The Russian government expresses dissatisfaction with Iran’s defiance concerning its nuclear program. It informs Tehran that it will withhold nuclear fuel for Iran’s nearly completed Bushehr power plant unless Iran meets financial obligations and suspends uranium enrichment as demanded by the UN Security Council.

**March 13-14, 2007:** IAEA head Mohamed ElBaradei visits North Korea to discuss the return of the DPRK to the IAEA as a member state, among other issues.

**March 14, 2007:** Assistant Secretary Hill arrives in Beijing to attend the denuclearization working group, Northeast Asia security working group, and the new round of Six-Party Talks.

**March 14, 2007:** U.S. Treasury finalizes ruling against Banco Delta Asia that prohibits all U.S. financial institutions from maintaining correspondent accounts for BDA and prevents BDA from accessing the U.S. financial system. China expresses deep regret at the Treasury’s decision. The Treasury Department also announces that treatment of the North Korean BDA account will be left to the discretion of the Macau authority.

**March 15, 2007:** After chairing the first meeting in Beijing of the six-party working group on energy cooperation, chief ROK nuclear negotiator Chun Yung-woo says Seoul will pay for the first batch of 50,000 tons of heavy fuel oil that the DPRK is due to receive once the Yongbyon site is closed.

**March 16, 2007:** FM Song and Secretary Rice review the process of the Six-Party Talks working group discussions and the status of the KORUS FTA.

**March 16, 2007:** Senate approves a nonbinding resolution calling for the support and funding of Ukraine and Georgia’s membership to NATO.

**March 16, 2007:** IAEA Director General Mohamed ElBaradei meets in Beijing with U.S., Japanese, and South Korean ambassadors in charge of North Korean nuclear issues to report on his visit to North Korea.

**March 16, 2007:** U.S. Ambassador to Japan Thomas Schieffer describes “comfort women” as the victims of rape by the Japanese military during World War II.

**March 19, 2007:** Treasury Deputy Assistant Secretary Glaser states the \$25 million frozen in a North Korean bank account at BDA in Macau will be released and transferred to a North Korean account in the Bank of China in Beijing.

**March 19-20, 2007:** Members of Japan-China joint history study group meet in Tokyo.

**March 19-22, 2007:** First session of the sixth round of Six-Party Talks is held in Beijing. Chief U.S. negotiator Christopher Hill announces that \$25 million frozen in North Korea’s Banco Delta Asia account will be returned; DPRK says “show me the money.”

**March 22-23, 2007:** First negotiations of the Trilateral Investment Agreement among China, Japan, and South Korea and the seventh Consultation for the Improvement of the Business Environment of the three countries are held in Tokyo.

**March 22-25, 2007:** Chairman of Joint Chiefs of Staff Gen. Peter Pace visits PLA officials in Beijing and military installations in Shenyang and Nanjing, China.

**March 23, 2007:** Chinese military ships, which included two destroyers, arrive in a seaport in Jakarta, Indonesia for the first time in 12 years. The Chinese ships recently completed anti-terror drills with the U.S. Navy in Pakistan in early March.

**March 24, 2007:** UN Security Council adopts Resolution 1747 requiring Iran to come under IAEA compliance and freeze its nuclear weapons program.

**March 25, 2007:** Treasury Deputy Assistant Secretary Glaser arrives in Beijing to discuss with Chinese officials issues related to the bank transfer of North Korean money from BDA.

**March 25-31, 2007:** U.S. and ROK military hold 12<sup>th</sup> *Reception, Staging, Onward Movement and Integration* and *Foal Eagle* exercises in South Korea.

**March 26, 2007:** Adm. Timothy J. Keating, former commander of North American Aerospace Defense Command and United States Northern Command, assumes command of U.S. Pacific Command.

**March 26-28, 2007:** Chinese President Hu Jintao visits Russia and meets Russian President Vladimir Putin and exchanges views on furthering China-Russia strategic partnership and energy cooperation.

**March 28, 2007:** President Bush telephones President Putin to explain U.S. plans for a missile defense system in Eastern Europe. The U.S. explanation is reportedly “received with satisfaction.”



**March 28, 2007:** South Korean aid to the North resumes. A ship leaves the ROK port of Yeosu bearing 6,500 tons of fertilizer, 60,000 blankets, and other items.

**March 29, 2007:** Seventh Round of Consultations on the East China Sea is held in Tokyo.

**March 30, 2007:** Cross-Strait charter flights for Tomb Sweeping Day begin.

**March 31-April 1, 2007:** ROK-Japan ministerial talks held to discuss the North Korean nuclear issue, Northeast Asia, and cooperation in the international arena.

**April 1, 2007:** United States-Republic of Korea Free Trade Agreement is concluded. Next steps are the approval of the U.S. Congress and the South Korean National Assembly.

