



US-China Relations:

Friction and Cooperation Advance Simultaneously

Bonnie Glaser, CSIS/Pacific Forum CSIS
Alexandra Viers, CSIS

Senior US and Chinese officials publicly emphasized positive developments in the bilateral relationship at the eighth and final US-China Strategic and Economic Dialogue (S&ED) of the Obama administration, while privately raising concerns. The second US-China Cybercrime and Related Issues High-Level Joint Dialogue convened a week later. The South China Sea persisted as a major area of competition and tension as an UNCLOS Tribunal issued a ruling in favor of the Philippines in its case against China. National Security Adviser Susan Rice traveled to Beijing in late July to prepare for the US participation in the September G20 Summit in Hangzhou and what is likely to be the last meeting between Xi Jinping and President Obama. Bilateral military ties maintained an active pace with a visit by Chief of Naval Operations Adm. John Richardson to China in mid-July and a port visit by the guided-missile destroyer *USS Benfold* to Qingdao in August. Chinese naval vessels participated in the multilateral *Rim of the Pacific (RIMPAC)* military drills off the coast of Hawaii for the second time.

Strategic and Economic Dialogue

The eighth and final US-China Strategic and Economic Dialogue (S&ED) for the Obama administration was held in Beijing June 5-7. Secretary of State John Kerry and State Councilor Yang Jiechi chaired the Strategic Track, and Treasury Secretary Jacob Lew and Vice Premier Wang Yang chaired the Economic Track.

The Strategic Track covered major bilateral, regional, and global issues. The “outcomes” document issued at the end of the annual consultations underscored the broad scope of the US-China relationship and the extensive degree of cooperation on a wide range of issues. Areas of bilateral cooperation include nonproliferation, anti-corruption and combatting international bribery, law enforcement, nuclear security, customs and supply chain security, and emergency management. The list of regional and global cooperation covers the Korean Peninsula, Sudan and South Sudan, Afghanistan, Iran, Syria, Iraq, Asia-Pacific, peacekeeping, counter-terrorism, the United Nations, humanitarian assistance and disaster response, global development, the 2030 agenda for sustainable development, responsible mineral supply chain, wildlife trafficking, and international economic affairs. There are numerous items that pertain to cooperation on climate change, energy, and environmental protection. Other categories of cooperation include maritime

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matters, transportation, and science, technology, health, and agriculture. There are a total of 120 outcomes listed, slightly shy of the 127 outcomes in 2015.

In the closed-door meetings between Secretary Kerry and Councilor Yang, North Korea and the South China Sea were the dominant issues. Kerry told the press after the talks that the US and China remained committed to the UN Security Council sanctions on Pyongyang passed earlier this year and that experts from both countries would meet subsequently to ensure effective implementation. No headway was made in narrowing differences on the South China Sea. Kerry called for all claimants to exercise restraint and seek peaceful resolution based on rule of law. Yang reminded the US of its promise not to take sides in the territorial disputes and insisted on China's right to protect its territorial sovereignty and legitimate maritime rights. Another contentious issue was the recently passed Chinese law restricting foreign NGOs from operating in China.

Breakout sessions were held on ocean conservation, civilian aviation, and wildlife trafficking. Kerry and Vice Premier Liu Yandong co-chaired the seventh annual US-China Consultation on People-to-People Exchange (CPE), which made progress in deepening ties between the citizens of both countries in the areas of culture, education, sports, science and technology, women's issues, and health.

Chinese President Xi Jinping met Kerry and Lew at the Great Hall of the People. According to *Xinhua*, Xi stressed that the accomplishments of US-China bilateral relations in the past three years demonstrate that the agreement reached with President Obama in 2013 to build a new model of major power relations between the US and China is achievable and is in interests of the people of both countries and the world. He called for expanding cooperation, appropriately managing differences, and eliminating disruptions in order to promote the stable development of the bilateral relationship. Xi reiterated that both sides should "respect each other's core interests and major concerns" and "refrain from or engage less in things that are detrimental to cooperation between the two countries."

In his brief availability with the press, Secretary Kerry said that "there is far more agreement than disagreement and far more places" where the US and China "have found common ground and been able to create progress." He added this year's S&ED was the most productive of the four that he has taken part in.

The joint US-China civilian-military dialogue known as the Strategic Security Dialogue (SSD) held back-to-back meetings in May and June. An inter-sessional meeting, which is usually held in December or January, was convened in Washington DC on May 19. The dialogue was co-chaired by US Deputy Secretary of State Antony Blinken and China's Executive Vice Foreign Minister Zhang Yesui, who were joined by Under Secretary of Defense for Policy Christine Wormuth, PLA Assistant Chief of Staff, Joint Staff Department of the Central Military Commission Lt. Gen. Ma Yiming, and other senior defense and civilian officials from the two countries. On June 6, the sixth SSD was held in Beijing. Reporting on both meetings was sparse, but likely included discussions of maritime issues, the Korean Peninsula, nuclear weapons, cyber and space security, and missile defense.

In advance of this year's S&ED, Secretary Lew, in a phone call with Vice Premier Wang, stressed the importance that the talks continue to produce, "concrete outcomes that promote a level playing field and unlock new opportunities for American workers and firms, while promoting economic reforms that lead to a more market-oriented and consumption-driven Chinese economy," according to a Treasury Department read-out. In pursuit of these goals, the Economic Track focused on strengthening financial stability and reform, promoting open trade and investment, and improving global cooperation and economic governance.

The US and China announced measures to encourage open trade and investment, promote financial market stability, and support domestic and global growth. Notable agreements included China's commitment to continue market-oriented exchange rate reform, to improve economic transparency, and to promote the opening up of China's market for US firms and innovation. China also included the US for the first time in a plan allowing US banks to clear Renminbi-dominated transactions, which will improve US investors' access to China's capital markets.

US officials used the S&ED to further pressure China to curtail support of steel and aluminum industries that have been accused of dumping their excess production into global markets. In recent years, foreign businesses in China have grown pessimistic as the country's slowing economy and alleged protectionist policies have made it harder to operate, and US steel producers have most recently felt the effects of such policies. "Excess capacity has a distorting and damaging effect on global markets," Secretary Lew said in his opening statement of the Dialogue. Responding to Lew's comments, China's Finance Minister Lou Jiwei maintained in a post-S&ED briefing that China's infrastructure investment boom helped to support the global economy in the aftermath of the 2008 financial crisis.

In a joint statement following the Dialogue, both parties supported "ongoing international efforts aimed at identifying effective government policies for addressing global excess capacity and structural adjustment." They announced their hope to resolve this issue at the Organization for Economic Cooperation and Development (OECD) Steel Committee meeting in September.

In a speech at the American Enterprise Institute (AEI) in Washington DC a week after the S&ED, Secretary Lew acknowledged China's intention to implement measures to cut excess capacity, but expressed concern that these and other reforms may fall by the wayside in the face of economic hardship. Lew noted reforms "can't be delayed indefinitely" and will require "hard choices, particularly given the Chinese leadership's long-standing concern for stability." Lew added that reforms "need to be prioritized to avoid major economic dislocations and to place China firmly on a path toward sustainable growth."

The Chinese media hailed the 2016 S&ED as successful. *Xinhua* noted this year's Dialogue demonstrated that the US and China can "cooperate when they are capable, and directly address their differences when they cannot." The US media generally did not portray the meeting as positively, with *The Wall Street Journal* noting both countries made "little progress." A persistent theme was skepticism about the Chinese leadership readiness to follow through on its commitments to implement the steps agreed to in the two-day meeting. Nevertheless, incremental gains and the continuation of dialogue between US and Chinese representatives were applauded by press from both countries.

Bilateral Investment Treaty

In a joint press conference with Secretary Kerry prior to the 2016 S&ED, Foreign Minister Wang Yi said China looked forward to working with the US to “speed up the BIT negotiation.” BIT negotiations were a high priority on this year’s bilateral economic agenda, with both delegations committing to meet again in mid-June and exchange revised negative lists. US and Chinese negotiators hope to use the September G20 Summit and the last meeting between President Obama and Xi Jinping to finalize a BIT before Obama leaves office in January 2017.

US and Chinese BIT negotiators met again in Beijing, June 11-17. Despite revisions in China’s negative list, US Trade Representative Michael Froman told *Bloomberg* the new list was a “fair distance away from being acceptable.” Froman kept the door open for further progress, however, saying that he looked forward to continued negotiations with his counterparts in the fall. In his AEI speech, Secretary Lew stated that Beijing’s willingness to engage in serious negotiations on a high quality BIT would be an “important barometer” of whether China is ready to “cultivate a business climate that fosters competition and invites participation by foreign firms.”

US – China Cybercrime and Related Issues High-Level Joint Dialogue

On June 15, Chinese State Councilor and Minister of Public Security Guo Shengkun co-chaired the second US-China Cybercrime and Related Issues High-Level Joint Dialogue with Deputy Assistant Attorney General Bruce Swartz and Under Secretary for the National Protection and Programs Directorate, Department of Homeland Security Suzanne Spalding. The Cybercrime Dialogue is a product of President Xi and President Obama’s agreement on combatting commercial cyber-theft reached during Xi’s September 2015 state visit. The first meeting was held shortly thereafter in December 2015. Secretary of Homeland Security Jeh Johnson and Attorney General Loretta Lynch were originally scheduled to serve as the US representatives for the June meeting, but both withdrew following the mass shooting at a gay night club in Orlando, Florida. The Chinese did not downgrade the level of their side’s participation, in part to demonstrate their commitment to cooperating with the US on addressing cybercrime.

Notable outcomes of the second High-Level Dialogue included agreements to hold further joint tabletop exercises on cyber incidents, implement plans to set up a cyber hotline, and conduct seminars on network security and the misuse of technology to commit acts of terrorism. Representatives from both the US and China later spoke positively about the talks, with both Spalding and Guo emphasizing to the press the importance of implementing agreements made during the dialogue. The third High-Level Dialogue will be held in the second half of 2016 in Washington, DC.

UNCLOS Tribunal rules against China in South China Sea

On July 12, three and half years after the Philippines initiated arbitral proceedings against China under Annex VII to the United Nations Convention on the Law of the Sea, the Arbitral Tribunal issued a unanimous award. On virtually every substantive claim the Tribunal ruled in favor of the Philippines. The panel of five judges found that China’s claim of historic rights within its nine-

dash line was without legal basis. The panel also ruled that Chinese activities within the Philippines' 200nm exclusive economic zone (EEZ), including illegal fishing and dredging sand to create artificial islands, violated Manila's sovereign rights. In what many observers viewed as the most unexpected part of the award, the Tribunal concluded that the Spratly Archipelago contains no islands; instead it is composed of rocks that are each entitled to a 12nm territorial sea and low-tide elevations that are not entitled to a separate maritime zone.

The US response to the ruling was cautious. A statement issued by the State Department refrained from commenting on the merits of the case, noting that the US was "still studying the decision." Instead, the statement reiterated several principles that have guided US policy toward the South China Sea, including support for the rule of law and for efforts to resolve territorial and maritime disputes by peaceful means, including arbitration. Importantly, the State Department urged all claimants to avoid provocative statements or actions and emphasized that the ruling "should serve as a new opportunity to renew efforts to address maritime disputes peacefully."

As expected, China rejected the ruling, declaring the award "null and void" and with "no binding force" in a statement issued by the Ministry of Foreign Affairs. That same day, the Chinese government released a separate highly authoritative statement that outlined in unprecedented detail China's territorial and maritime claims in the South China Sea. China has historic rights in the South China Sea, according to the latter document, and has sovereignty over the Pratas Islands, the Spratly Islands, the Paracel Islands, Macclesfield Bank, and Scarborough Shoal. In the Spratly Island chain, the document maintained that China has internal waters, territorial sea and contiguous zone, exclusive economic zone and continental shelf.

In the months prior to the issuance of the award, US-China tensions over the South China Sea had continued to mount. On May 10, the US conducted a freedom of navigation operation (FONOP), the third since last October. This time the *USS William P. Lawrence*, a US guided missile destroyer, sailed within 12nm of Fiery Cross Reef where China has conducted significant dredging and is installing military facilities. According to the Pentagon, the FONOP challenged requirements by China, Taiwan, and Vietnam for "prior permission or notification of transits through the territorial sea, contrary to international law." China's Defense Ministry said that two fighter jets were scrambled and three warships dispatched to shadow the US destroyer. China's MFA spokesman condemned the FONOP, asserting that it "threatened China's sovereignty and security interests, endangered the staff and facilities on the reef, and damaged regional peace and stability."

In two separate incidents in May and June, covered below in the section on US-China military ties, the US charged Chinese fighter jets with making unsafe intercepts of a US reconnaissance plane in international airspace. The second incident took place on June 7 as the US-China S&ED meetings were taking place in Beijing. En route to the S&ED, Secretary of State Kerry told reporters during a stop in Mongolia that the US would consider the establishment of an air defense identification zone (ADIZ) over the South China Sea to be a "provocative and destabilizing act which would automatically raise tensions and call into serious question China's commitment to diplomatically manage the territorial disputes" in those waters.

In Kerry's talks with State Councilor Yang Jiechi during the S&ED, he apparently warned China to refrain from taking any action in the South China Sea that could involve US treaty obligations to the Philippines. A US State Department official told the *New York Times* that the warning was a reiteration of the message that President Obama had delivered to Xi Jinping when the two presidents met on March 31 in Washington DC. According to the *Japan Times*, Kerry also told Chinese officials that if Beijing unilaterally declares an ADIZ over the South China Sea, the US would take unspecified countermeasures. At their joint press conference, comments by Kerry and Yang suggested that no progress was made toward narrowing their differences, although in anticipation of the ruling, expectations of achieving an understanding were undoubtedly low.

On July 6, a month following the S&ED, Foreign Minister Wang Yi spoke with Secretary Kerry by phone. According to *Xinhua*, Wang urged the US to "abide by its commitment" to remain neutral on the territorial dispute, "exercise caution in its words and deeds, and refrain from taking any actions that will undermine the sovereignty and security interests of the Chinese side." Kerry reportedly expressed his hope that all parties would "exercise restraint" and noted that the US and China share common interests in safeguarding peace and stability in the South China and that Washington supports the peaceful resolution of disputes through diplomatic channels.

During CNO Adm. John Richardson's visit to China, which began five days after the Tribunal's award, Commander of the PLA Navy Adm. Wu Shengli took a tough stance on the South China Sea. Chinese media quoted Wu as telling Richardson that the Chinese Navy was "prepared to react to any infringement of rights or aggression" in the South China Sea and stressed that China would complete its "necessary construction" on the islands. "Any attempt to force China to give in through flexing military muscles will only have the opposite effect," Wu reportedly said. *Xinhua* reported that Wu called the South China Sea a "core interest" of China that concerns the foundation of the Communist Party's governance, the country's security and stability, and the Chinese nation's fundamental interests.

At about the same time, in an interview before departing for Beijing, National Security Advisor Susan Rice told *Reuters* that she planned to encourage China to avoid escalation in the South China Sea and conveyed US resolve to "sail, fly, and operate" in the disputed waters. She did not issue any warnings, however. In fact, US officials were unusually silent in the aftermath of the award, perhaps because they feared that China's resounding defeat might precipitate an assertive or even aggressive response from Beijing. The Obama administration clearly opted to quietly work to increase the prospects for diplomatic progress rather than rub China's nose in the ruling. One official told *Reuters*, "What we want is to quiet things down so these issues can be addressed rationally instead of emotionally." A State Department spokesman emphasized that the US wants to see a de-escalation of tensions and encouraged all the claimants to pause and reflect on how to find a peaceful way forward.

At the end of July in the Laotian capital Vientiane, Secretary Kerry called on the foreign ministers of all 10 ASEAN member countries to comply with "a rule-based international system that protects the rights of all nations whether big or small." The South China Sea was then discussed between Kerry and Foreign Minister Wang Yi in a bilateral meeting. After the talks, Kerry told the press that he agreed with Wang's call to "move away from public tensions and

turn the page” over the South China Sea disputes. In addition, Kerry expressed US support for the resumption of talks between Beijing and Manila.

The judicious US stance in the aftermath of the sweeping ruling in favor of the Philippines was aided by China’s relative restraint in its actions in the South China Sea. Apart from sharp rhetoric and the release of a new white paper on the South China Sea, China landed civilian aircraft on two of its artificial islands, conducted two naval exercises in the South China Sea in July, and announced plans to hold a joint naval drill in the South China Sea with Russia in September. Beijing also widely publicized images of a nuclear-capable *H-6K* bomber flying over Scarborough Shoal, but it was unclear when or even whether such an overflight took place.

National Security Advisor Susan Rice visits Beijing

National Security Advisor Susan Rice traveled to Beijing at the end of July to prepare for President Obama’s visit to China in early September for the G20 Summit and a US-China summit. In addition to meeting State Councilor Yang Jiechi, Central Military Commission Vice Chairman Fan Changlong, and Central Politics and Law Commission Secretary Meng Jianzhu, Rice met President Xi Jinping. In a background briefing for the media, a senior Obama administration official described her discussions with China’s leader as “very constructive, candid and productive” as well as “strategic.”

The senior administration official speaking on background said that a common theme of the visit was that both sides are “absolutely committed to developing this relationship.” This was evident especially in Rice’s meeting with Xi. According to the US official, that conversation focused on their respective visions for the US-China relationship in the months and years ahead, and “approaches that have brought about the cooperation and the outcomes that we’ve achieved so far.” According to *Xinhua*, Xi told Rice that Beijing “attaches great importance” to bilateral ties, and is “prepared to make joint efforts to build a new model of major power relations” and promote “sustained and stable development” of the relationship. Xi also highlighted the need to “respect each other’s core interests.”

Specific issues were not discussed in the Rice-Xi meeting; instead they were relegated to the discussions with senior Chinese officials. The senior US official who provided the briefing stressed that Rice and her counterparts did not shy away from addressing contentious issues. “... both sides were very clear with one another ... there’s no room for ambiguity between both sides ... that kind of clarity I think promotes stability and reduces the risk of miscalculation,” the official told the media. *Xinhua* quoted Rice as saying that President Obama “has always maintained that the US-China relationship is the most important bilateral relationship in the world today.”

A White House statement released after the visit said that Rice and Yang agreed that “bilateral cooperation stands at unprecedented levels and affirmed the need to build on past gains” while also “managing differences constructively.” The latter category included human rights, maritime issues, and the treatment of US businesses and non-government organizations operating in China. *Xinhua* reporting said that Yang emphasized the need to focus on achieving a successful

upcoming summit, implementing the Obama-Xi understanding to build a new model of major power relations, and expanding cooperation while managing and controlling differences.

The Chinese raised concerns with Rice about the US-ROK decision to deploy the Terminal High Altitude Area Defense (THAAD) system in South Korea. According to the *People's Liberation Army Daily*, Vice Chairman of the Central Military Commission Gen. Fan Changlong warned that if the US insists on deploying THAAD, “this will pose a direct threat to Chinese strategic security, increase the tense situation on the peninsula, and deal a serious blow to mutual China-US strategic trust.” He urged the US to take seriously Chinese concerns and cancel its plans to deploy THAAD in South Korea. Rice explained that the deployment is a defensive measure taken in response to the growing threat posed by North Korea’s nuclear and missile programs. On the South China Sea, Fan told Rice that the Chinese military would resolutely safeguard the sovereignty and security of Chinese national territory. Rice reportedly called for both countries to “effectively manage risk, prevent misunderstanding and misjudgment.”

Developments in military-to-military ties

There were frequent US-China military contacts in the first four months of 2016, helping to manage differences over the South China Sea and preserve stability in the overall relationship. Two days after the USS *William P. Lawrence* conducted a FONOP around Fiery Cross Reef, Chairman of the Joint Chiefs of Staff Gen. Joseph Dunford held a video conference with counterpart Gen. Fang Fenghui. A statement posted on the Chinese Defense Ministry’s website cited Fang as telling Dunford that “the common ground and prospects for cooperation between China and the US far exceed our disagreements and contradictions.” Fang stressed that China seeks to expand communication and cooperation with the US to prevent the South China Sea tensions from affecting the overall relationship.

On May 13, the US Department of Defense issued its report on *Military and Security Developments Involving the People’s Republic of China in 2015*. The 156-page report documented developments in China’s strategy, PLA force modernization goals, trends, and resources, Chinese capabilities for a Taiwan contingency, Chinese space lift and missile defense capabilities, land reclamation in the South China Sea, and US-China military-to-military contacts. China’s Defense Ministry spokesman expressed “strong dissatisfaction” and “firm opposition” to the Pentagon’s report, and maintained that it “severely damaged mutual trust.”

In two separate incidents in May and June, the Pentagon accused Chinese fighter jets of carrying out unsafe intercepts in violation of a bilateral agreement signed in September last year. In the first incident on May 17, the US claimed that two Chinese *J-11* fighter aircraft flew within 50 feet of a US *EP-3* reconnaissance aircraft that was conducting a routine mission in international airspace over the South China Sea. The second incident took place on June 7 and involved two Chinese *J-10* fighter planes that “had an unsafe excessive rate of closure” on a US *RC-135* aircraft, according to the US Pacific Command. The Chinese Defense Ministry denied that the Chinese pilots had conducted unsafe maneuvers. A Foreign Ministry spokesman also insisted that the Chinese aircraft were “completely in keeping with safety and professional standards” and demanded that the US “immediately cease this type of close reconnaissance activity” to avoid future incidents. The first incident was discussed between US and Chinese military

representatives in Hawaii on May 24-25 under the Military Maritime Consultative Agreement (MMCA).

At the end of May, US Defense Secretary Ashton Carter and Deputy Chief of the Joint Staff Department of China's Central Military Commission Adm. Sun Jianguo attended the Shangri-La Dialogue in Singapore. In his speech, Carter pledged that the US would continue to ensure security in the Asia-Pacific and urged China to join a "principled security network" for the region. He warned that if China continued to engage in destabilizing behaviors, it would risk "erecting a Great Wall of self-isolation." Sun described China's regional security strategy and called on regional states to abandon Cold War mentality and expand security cooperation. Consistent with prior years, there was no bilateral meeting between Carter and Sun due to the disparity in their positions.

A planned visit to China by Secretary Carter in 2016 has yet to take place. Carter had tentatively agreed to travel to China in April, but visited India and the Philippines instead. CNO Adm. John Richardson traveled to China in mid-July at the invitation of Commander of the People's Liberation Army Navy (PLAN) Adm. Wu Shengli. According to US Navy media, Richardson and Wu had "frank and substantive" conversations on the importance of operating safely, in accordance with international law; future opportunities for the two navies to engage; and the South China Sea. Richardson also visited Qingdao, home of the Chinese North Sea Fleet, where he toured the Chinese Navy's submarine academy and the aircraft carrier *Liaoning*.

For five weeks beginning June 30, the US held the biennial *RIMPAC* naval exercises off the coasts of Hawaii and Southern California. A five-ship PLAN flotilla linked up with two USN destroyers near Guam and steamed together toward Hawaii, conducting joint drills en route on sea resupply, aerial photography, and live fire artillery exercises. During *RIMPAC*, China joined the US and other countries in exercises to rescue sailors from a disabled submarine and for counter-piracy, diving and salvage, search and rescue, and humanitarian assistance and disaster relief. China's contingent to *RIMPAC* this year was the third largest after the US and Canada.

On Aug. 8, the guided missile destroyer USS *Benfold* sailed into Qingdao for a port visit, during which its crew held a signals exercise with the Chinese Navy. Adm. Scott Swift, commander of the US Pacific Fleet met North Sea Fleet Commander Vice Adm. Yuan Yubai. They reportedly discussed operations at sea. Swift told the media that he conveyed to Yuan "the importance of transparency, parity, and reciprocity" in relations between the US and Chinese navies. Swift also toured the PLAN frigate *Daqing*.

Looking to the final months of 2016

In early September, Barack Obama and Xi Jinping meet for the last time during Obama's presidency in Hangzhou at the G20 Summit. In a bilateral meeting on the margins of the G20, the two leaders will review the achievements in US-China relations. Following that visit, US-China high-level exchanges are likely to taper off as the US presidential election approaches. It is still possible, however, that Secretary of Defense Carter will visit China in the final months of 2016, which he pledged to do when he spoke at the Shangri-La Dialogue in June.

Whether China will remain relatively restrained in the South China Sea or double down after the G20 Summit remains to be seen. The US is due to conduct another FONOP, which Beijing could use as a pretext to resume efforts to consolidate its claims and exert greater control over the South China Sea in defiance of the UNCLOS Tribunal ruling. Many observers predict that in the period after the US election and before the inauguration of a new US president, China may be tempted to take steps such as dredging on Scarborough Shoal, establishing baselines and declaring an ADIZ in the Spratlys, or landing fighter jets on its newly created islands. Alternatively, Beijing may conclude that now is a good time to engage in negotiations with other claimants on fishing rights and rules of behavior between coast guards, and accelerate discussions with ASEAN on a binding Code of Conduct. Whatever course China chooses, there will be implications for Sino-US relations.

Chronology of US-China Relations May – August 2016

May 6, 2016: *USS Blue Ridge* arrives at a port in Shanghai just days after the *USS John C. Stennis* is denied a port visit in Hong Kong.

May 10, 2016: *USS William P. Lawrence* conducts a Freedom of Navigation Operation (FONOP) within 12nm of Fiery Cross Reef.

May 11, 2016: First meeting of the Senior Experts Group on International Norms and Related Issues concerning cyber security meets in Washington DC, co-chaired by Wang Qun, director general of the Ministry of Foreign Affairs (MFA) Department of Arms Control, and Christopher Painter, coordinator for cyber issues at the US State Department.

May 11, 2016: US and China hold first dialogue on outer space safety in Washington DC, co-chaired by Wang Qun, director general of the MFA Department of Arms Control, and US Assistant Secretary of State Frank Rose.

May 12, 2016: Vice Foreign Minister Li Baodong and Under Secretary of State Rose Gottemoeller co-chair the eighth Consultation on Strategic Security and Multilateral Arms Control in Washington DC.

May 12, 2016: Chinese Chief of the General Staff Gen. Fang Fenghui and Chairman of the US Joint Chiefs of Staff Gen. Joseph Dunford hold a video conference to discuss the US FONOP around Fiery Cross Reef.

May 13, 2016: US Department of Defense issues its report on *Military and Security Developments Involving the People's Republic of China 2015*.

May 16, 2016: Secretary of State John Kerry and Foreign Minister Wang Yi talk by phone about the upcoming Strategic and Economic Dialogue, Taiwan, and Syria.

May 16, 2016: Vice Premier Wang Yang exchanges views with Treasury Secretary Jacob Lew via telephone on bilateral economic ties and the upcoming US-China Economic Dialogue.

May 17, 2016: US Commerce Department raises import duties on Chinese-made cold-rolled flat steel by 522 percent.

May 17, 2016: Pentagon reports that at least two Chinese *J-11* fighter aircraft conduct an “unsafe” intercept of a United States *EP-3* reconnaissance aircraft that was conducting a routine mission in international airspace over the South China Sea.

May 19, 2016: US and China hold an Inter-sessional Strategic Security Dialogue, co-chaired by Deputy Secretary of State Antony Blinken and Executive Vice Foreign Minister Zhang Yesui.

May 24-25, 2016: Military representatives from US Pacific Fleet (PACFLT), US Pacific Air Forces, and PLA Navy and Air Force meet for the Military Maritime Consultative Agreement (MMCA) at Ford Island in Hawaii.

May 26, 2016: Pentagon concludes that an intercept by Chinese *J-11* fighter jets on May 17 violated the Memorandum of Understanding between the US and China as well as International Civil Aviation Organization (ICAO) standards.

May 30, 2016: China’s top legislator Zhang Dejiang meets a delegation of US lawmakers led by Sen. Steve Daines (R-Montana).

June 5, 2016: Director General of the MFA’s Policy Planning Department Wang Yajun and Chief of Staff to the Secretary of State and Director of Policy Planning at the US Department of State Jonathan Finer hold consultations in Beijing.

June 5, 2016: Strategic Security Dialogue, co-chaired by Vice Foreign Minister Zhang Yesui and Deputy Secretary of State Antony Blinken, is held in Beijing.

June 6, 2016: Eighth US-China Strategic and Economic Dialogue opens in Beijing.

June 6-7, 2016: Secretary of State John Kerry and Vice Premier Liu Yandong co-chair the seventh annual US-China Consultation on People-to-People Exchange (CPE) in Beijing.

June 7, 2016: US Pacific Command says that a Chinese *J-10* jet fighter conducted an unsafe intercept of a US reconnaissance plane in international air space over the East China Sea.

June 7, 2016: In two separate meetings, Secretary Kerry and Treasury Secretary Lew meet President Xi Jinping and Premier Li Keqiang at the Great Hall of the People.

June 7, 2016: Director General of the MFA’s Department of International Organizations and Conferences Li Junhua and Assistant Secretary of State for International Organization Affairs Bathsheba Crocker co-chair second China-US Consultation on UN and Multilateral Affairs.

June 14, 2016: Second US-China High-Level Joint Dialogue on Cybercrime and Related Issues is held in Beijing.

June 15, 2016: President Obama meets the Dalai Lama in the map room at the White House.

June 18, 2016: Foreign Minister Wang Yi and Secretary of State Kerry talk by phone. Wang tells Kerry the US should not interfere in China's internal affairs on matters related to Tibet.

June 26, 2016: Vice Premier Wang Yang exchanges views with Treasury Secretary Lew via telephone on the current economic and financial situation, as well as the upcoming G20 summit.

June 30, 2016: US Undersecretary for Political Affairs Tom Shannon says India failed to gain entry into the Nuclear Suppliers Group due to China-led opposition and calls for Beijing to be held accountable.

July 5-7, 2016: US Assistant Secretary Frank Rose visits Beijing for discussions on mutual strategic interests with the Ministry of Foreign Affairs and the China National Space Administration.

July 6, 2016: Foreign Minister Wang Yi speaks with Secretary of State Kerry by telephone ahead of a UNCLOS Tribunal award on South China Sea claims and warns Washington against moves that infringe on China's sovereignty.

July 9, 2016: US State Department of State issues a press statement expressing concern about the continued detention in China of at least 23 defense lawyers and rights defenders and denial of access to independent legal counsel.

July 12, 2016: US officials arrive in Beijing to hold talks on a bilateral investment treaty. They discuss the recent exchange of negative list offers detailing which sectors will remain closed to foreign investment.

July 12, 2016: Permanent Court of Arbitration at The Hague issues a ruling against China in the case filed by the Philippines. National Security Council Senior Director for Asia Dan Kritenbrink and Chinese Ambassador to the US Cui Tiankai deliver speeches at CSIS.

July 13, 2016: US House of Representative's Science, Space and Technology Committee releases an investigative report that finds China's government likely hacked computers at the US Federal Deposit Insurance Corporation.

July 13, 2016: US challenges China's export duties on nine key metals and minerals, arguing that they violate Beijing's commitments to the World Trade Organization and give an unfair advantage to Chinese manufacturers.

July 17-19, 2016: Adm. John Richardson, chief of naval operations, visits Beijing, where he meets the commander of the PLA Navy, Adm. Wu Shengli, then travels to Qingdao for a visit to China's aircraft carrier, *Liaoning*.

July 19, 2016: US Trade Representative Michal Froman announces that the US has expanded its challenge at the WTO concerning China's export restraints on raw materials that it believes provides an unfair competitive advantage to China.

July 24-27, 2016: National Security Adviser Susan Rice visits Beijing to discuss the South China Sea, North Korea, economic issues, and human rights, and to lay the groundwork for Obama's talks with Xi at the G20 summit in September.

July 25, 2016: Secretary of State Kerry and Foreign Minister Wang Yi meet on the sidelines of the ASEAN Regional Forum Foreign Ministers Meeting in Vientiane.

Aug. 3, 2016: China blocks a United Nations Security Council statement condemning North Korea for firing two missiles.

Aug. 3-4, 2016: China and the US hold the first legal dialogue in Beijing sponsored by China's central leading group for judicial reform and US departments of justice and commerce.

Aug. 5, 2016: Foreign Minister Wang Yi speaks with Secretary of State Kerry over the phone on US-China relations, the G20, and the situation on the Korean Peninsula.

Aug. 8, 2016: Guided missile destroyer *USS Benfold* arrives in port in Qingdao for a ship visit.

Aug. 8, 2016: State Department issues a press statement urging Chinese authorities to release the lawyers and rights defenders who are imprisoned or in detention, and says the campaign undermines China's development of a judicial system that respects the rule of law.

Aug. 10, 2016: After hundreds of Chinese fishing boats and a large number of government vessels swarm near the Diaoyu/Senkaku Islands, State Department spokesman says the US opposes unilateral action that seeks to undermine Japan's administration of the islands, which fall under Article 5 of the US-Japan Mutual Defense Treaty.

Aug. 16, 2016: US Army Chief of Staff Gen. Mark A. Milley meets counterpart Gen. Li Zuocheng in Beijing.

Aug. 19, 2016: Vice Premier Wang Yang exchanges views by phone with Treasury Secretary Lew in advance of the G20 Summit.

Aug. 24-Sept. 11, 2016: China, US, and Australia conduct joint military exercise *Kowari 2016*, which includes field survival training in Darwin, Australia.

August 30, 2016: National Security Advisor Susan Rice meets Chinese human rights advocates to discuss issues related to human rights, including religious freedom, in China.