



U.S.-Southeast Asian Relations:

U.S. Strengthens Ties to Southeast Asian Regionalism

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Indonesia and Malaysia chastised the United States for backing Israel in the July-August Hezbollah Lebanon war, though both Jakarta and Kuala Lumpur subsequently offered peacekeeping forces to monitor the ceasefire. Washington signed a trade and investment framework agreement with ASEAN at July ministerial meetings and is considering appointment of an ambassador to ASEAN as well as creating a new Southeast Asian financial post in the Treasury Department. On the military dimension, the U.S. is delivering spare parts for the Indonesian air force and has initialed a new defense arrangement – the Security Engagement Board – with the Philippines that will focus on humanitarian aid, civic engagement, and counterterrorism training in insurgent-ridden Mindanao. Washington has also placed Burma’s human rights violations on the UN Security Council agenda and enhanced economic and military relations with Vietnam. In response to the Sept. 19 Thai coup, the U.S. expressed disappointment in the setback to democracy by an important regional ally but did not insist that deposed Prime Minister Thaksin be restored to power.

Malaysia and Indonesia see U.S. hand in Israeli-Lebanon War

Political elites in Malaysia and Indonesia criticized the U.S. for backing Israel in the July-August war in southern Lebanon. Because neither Southeast Asian country has diplomatic relations with Tel Aviv, the U.S. embassies in Kuala Lumpur and Jakarta became lightning rods for Muslim demonstrations. Fundamentalist groups such as the Indonesian Mujahadin Council (MMI) stated their opposition to “Zionist Israel and its allies” and urged the Indonesian government “to facilitate the dispatch of Indonesian mujahadin to help Palestine against Israel.” In Malaysia, some 10,000 demonstrators led by the opposition Islamic Party of Malaysia (PAS) demonstrated against the presence of Secretary of State Condoleezza Rice at the late July ASEAN Ministerial Meetings, insisting that the United States had the responsibility for stopping Israel’s attacks on Lebanon. Demonstrators outside the U.S. Embassy on July 28 and at the Kuala Lumpur convention center burned U.S. flags and portraits of President Bush and Secretary Rice.

Both Malaysian Prime Minister Abdullah Badawi and Indonesian President Susilo Bambang Yudhoyono worked to deflect extremist demands by rhetorically siding with Hezbollah in Lebanon and Hamas in Gaza. The Malaysian prime minister on July 24 also accused the U.S. of not using its power to end the Israeli-Lebanon conflict. As the current

chairman of ASEAN, Prime Minister Abdullah urged both belligerents to “exercise utmost restraint,” while characterizing “as excessive” Israel’s military operations in Lebanon, Gaza, and the West Bank. Malaysian Foreign Minister Datuk Seri Syed Hamid Albar stated the U.S. was wrong in declaring Hezbollah a terrorist organization. He described the conflict as an Arab effort to recover occupied lands and not based on religion.

President Yudhoyono was particularly concerned about Islamist groups attempting to go to Lebanon and Gaza on their own to fight as well as requests by some for government support and military training. On Aug. 6, he declared that while anger over the plight of the Lebanese people was understandable, sending militants into the conflict zone was “out of the question.” Instead, both the Indonesian and Malaysian leaders stated that their countries were prepared to send peacekeeping forces to Lebanon under UN auspices. In mid-August, U.S. ambassador to Indonesia B. Lynn Pascoe expressed Washington’s support for Indonesian participation in the UN peacekeeping force. No such endorsement was given to Malaysia, however.

As for Israel’s objection to peacekeepers from countries that have no diplomatic relations with Tel Aviv, Indonesian officials pointed to the country’s “good history and tradition” of sending troops for peaceful missions, including the Sinai Peninsula. By early September, Israel dropped its objections to Indonesia’s participation, and Jakarta was preparing to send up to 1,000 military (TNI) personnel. Indonesian Defense Minister Sudarsono stated that Jakarta had been in contact with Israel through third parties [presumably the United States] and that Tel Aviv removed its objection. With respect to Indonesia, according to a *New York Times* article on Sept. 2, “Israeli officials have said they regard some Muslim countries in a more positive light than others” and pointed to relief aid sent by Israel to Indonesia after the December 2004 tsunami. Malaysia may be another matter. It, too, has offered up to 1,000 peacekeepers. However, Israel does not view Kuala Lumpur as positively as Jakarta. Malaysian Defense Minister Najib pointed to his country’s “excellent record in terms of providing peacekeeping services.” However, by late September, no agreement on Malaysian participation had been reached.

U.S. steps up support for Southeast Asian regionalism

Indicative of growing U.S. political and economic interest in Southeast Asia as a region as distinct from separate bilateral relations with each country, a number of events occurred this quarter. Deputy U.S. Trade Representative Karan Bhatia told the U.S.-ASEAN Business Council on July 11 that with an aggregate GDP of \$2.7 trillion, the ASEAN countries constitute the fourth largest trading partner of the United States. Washington has a bilateral free trade agreement (FTA) with Singapore and is in FTA negotiations with Thailand and Malaysia. Additionally, trade and investment framework agreement discussions are under way with Indonesia, the Philippines, Cambodia, and Brunei. Vietnam has also signed a market access agreement as an initial step toward Hanoi’s membership in the World Trade Organization. Going beyond the bilaterals, Bhatia stated: “We are looking to support ASEAN integration and to institutionalize our

relationship with ASEAN through a trade and investment agreement with ASEAN as an institution.”

On Aug. 11, the Bush administration announced plans to appoint special envoys to boost diplomatic and financial relations with Southeast Asia; Deputy Treasury Secretary Robert Kimmit stated at a Singapore National Day reception in Washington that the administration is planning to appoint an ambassador to ASEAN. Kimmit went on to note that the Treasury Department intends to establish a financial representative post for Southeast Asia. These developments followed closely on Secretary of State Rice’s agreement with ASEAN foreign ministers in July for a five-year action plan to boost economic and political ties. Sen. Richard Lugar first proposed a U.S. ambassador for ASEAN in a May 2006 Senate bill. He argued that a U.S. ambassador to ASEAN would prove crucial as ASEAN develops a regional free trade area. The ambassador, possibly an assistant secretary of state with ambassadorial rank, could deal with matters of regionwide concern ranging from environmental and financial issues to public health challenges and terrorism.

At the ASEAN Regional Forum (ARF) late July annual meeting, Malaysian Foreign Minister Hamid Albar stressed the importance of Secretary Rice’s presence for the discussion of Burma’s future and North Korean nuclear arms. Additionally, Rice’s signature on a five-year action plan promoting trade, investment, and political ties with Southeast Asia has been interpreted in the region as groundwork for a possible U.S.-ASEAN free trade pact, bringing the United States in line with China and Japan. The ASEAN Secretariat praised the ASEAN-U.S. Agreement as a significant step on the road to achieving the 2005 Joint Vision Statement on ASEAN-U.S. Enhanced Partnership.

U.S. military ties with Southeast Asia enhanced

Building on last year’s resuscitation of military relations with Indonesia, the U.S. Congress appropriated \$6 million for military equipment and training for Indonesia in 2007. Although \$2 million less than the sum requested by the Bush administration, the amount is a multi-million dollar increase over the 2006 total. Critics of the new military ties both in Indonesia and the U.S. said that Congress failed to attach sufficient conditions to the appropriation such as requiring, for example, that the military be trained in public transparency, accountability, democracy, human rights, and respect for civil society organizations. Those who support the U.S. funding claim that the Indonesian armed forces (TNI) are no longer involved in domestic politics and conform to the rule of civilian supremacy. Moreover, U.S. assistance is not cash based – susceptible to corruption – but rather in the form of equipment and training. The Indonesian military training program now includes scholarships for advanced degrees at U.S. universities.

As for equipment, the U.S. has begun to supply spare parts for Indonesia’s *F-5* and *F-16* jet fighters, but since these parts have been held for many years in the U.S. inventory, they must be reconditioned before they are airworthy. Additionally, Washington has offered new avionics for Indonesia’s first generation *F-16*s and retrofits for its *C-130*

cargo aircraft. Of the 23 *C-130s* in Indonesia's inventory, currently only nine are fully serviceable.

Despite the enhanced military assistance and successful July U.S.-Indonesian navies *CARAT* exercise, Jakarta still refrains from joining the U.S.-initiated Proliferation Security Initiative (PSI). The Indonesian director general of defense strategy Maj. Gen. Dadi Susanto, stated in early July that "we have found several aspects of the PSI which contradict the United Nations Convention on the Law of the Sea, which is not ratified by the United States." The reference could be to Indonesian concerns that under the PSI other countries' navies might be allowed to patrol Indonesia's archipelagic waters.

In mid-July, the U.S. and Philippine armed forces agreed to conduct joint military exercises under the newly formed Security Engagement Board (SEB). Currently, joint training is focusing on humanitarian and socio-economic civic engagement, according to Philippine Defense Secretary Avelino Cruz. As for security, the joint training continues counterterror operations. Secretary Cruz emphasized that exercises under the SEB would be independent of the annual *Balikatan* exercises conducted under the Philippine-U.S. Mutual Defense Treaty. Among the first exercises planned under the SEB is a counterterrorism war game in rebel-infested Mindanao where the Philippine government has been confronting protracted Muslim and Communist insurgents. The exercise, to be called *Kajit-Bisig (Linking Arms)* will last through late 2006 to the first half of 2007 and concentrate on training local troops, providing humanitarian assistance, and supporting local military operations against Muslim militants. This last component must be implemented carefully because the Philippine Constitution prohibits foreign forces from engaging in combat on Philippine soil. Up to now, U.S. advisors claim only to have provided training, intelligence, and medical support to Philippine soldiers.

Also in mid-July, the U.S. Chief of Naval Operations Adm. Michael Mullin reiterated the U.S. offer to share maritime expertise with Malaysia to fight piracy in the Malacca Strait. Washington has proffered naval assistance for the littoral states' anti-piracy activities regularly since 2004. This time Adm. Mullin said: "it is a vital strait not just locally but internationally. It is one that we all have an interest in." Going on, Mullin proposed: "As we are developing future capabilities, certainly we are willing to share those with the Malaysian navy." Mullin's offer constitutes the latest U.S. effort to see if Malaysian Defense Minister Najib Razak was sincere last year when he said that U.S. involvement in a supporting role would be welcome. Malaysia and Indonesia have rejected any regular U.S. patrols in the strait, insisting that Malacca waters' security is the responsibility of the littoral states. (Although Singapore would welcome a U.S. navy role in protecting the strategic waterway, the city-state will not split from its neighbors over the issue.)

In an effort to upgrade military relations with Vietnam and Cambodia, U.S. Pacific Commander Adm. William Fallon visited both countries in mid-July. He requested more U.S. ship visits to Vietnam and proposed a joint search and rescue exercise with the Vietnam Navy – an opening gambit in establishing navy-to-navy relations. Hanoi responded cautiously, however. Vietnam's Defense Minister Phung Quang Thanh stated that such an exercise "might be misunderstood by other countries," an obvious reference

to China. Adm. Fallon repeated his offer to Vietnam's Foreign Minister Pham Gia Khim, and also asked Hanoi to take a more active role in regional issues, including the effort to convince North Korea to stop testing long-range missiles. Khiem noted that while his country is playing a larger regional role through ASEAN, it does not consider itself a leading member of the organization. However, he also said that "Vietnam is certainly not supportive of any potential use of nuclear weapons by North Korea..." according to an *Agence France Presse* interview with Fallon on July 15.

After his sojourn in Hanoi, Fallon traveled to Cambodia to follow up a visit by Cambodia's defense chief to Hawaii where he asked for U.S. assistance to help reestablish the country's military. In July 17 meetings in Phnom Penh, Defense Minister Tea Banh told Fallon that training is their priority need from the United States. The PACOM commander said he would send a team of U.S. military officials to Cambodia to help assess its needs.

Counterterrorism stays high on the U.S. agenda

When President Bush transferred 14 of the "world's most dangerous captured terrorists" from secret prisons in various parts of the world to Guantanamo, three among them were Southeast Asians – the infamous al-Qaeda operative Hambali, captured in Thailand, as well as two Malaysians who were arrested in Pakistan alongside Khalid Sheikh Mohammad, the mastermind behind the Sept.11 attacks. Islamic militants continue to operate in the Philippines, Indonesia, and southern Thailand – activities sufficiently lethal for the U.S. to still regard Southeast Asia as the second front in the "war on terror."

The United States is most involved in the Philippines, providing military equipment and training to the Philippine army, its Special Forces, and the Philippine police with a particular focus on Mindanao where the radical Islamist group Abu Sayyaf is located. USAID plans are integrated into the counterterrorism program through projects designed to increase employment opportunities.

To back the Philippine counterinsurgency campaign, in July Washington promised to provide 26 refurbished Vietnam-era *Huey* helicopters. The United States also employed sophisticated surveillance equipment to assist Philippine forces in tracking an Abu Sayyaf chieftan, Khadaffy Janjalani, and two Jemaah Islamiyah (JI) terrorist leaders who escaped from Indonesia, Dulmantin and Umar Patek – key suspects in the 2002 Bali bombing. U.S. Special Forces personnel continue to provide technical intelligence and training to Philippine forces as well as medical assistance; however, according to both Philippine and U.S. officials, the Americans do not engage in combat. In hopes of eliciting support from Jolo island residents, the U.S. has offered a \$10 million reward to the capture of Dulmatin, \$5 million for Abu Sayyaf leaders, and \$1 million for Patek. A significant gap in Philippine counterterror capabilities is the absence of any legislation against terrorism, meaning that telephone conversations cannot be legally monitored, nor can preventive arrests be made.

Both Malaysia and Indonesia have requested access to some of the high-level terrorists recently transferred to Guantanamo, though for different reasons. Kuala Lumpur is concerned with the legal right to counsel for its nationals, while Jakarta wants access to Hambali whom they wish to extradite to stand trial for the 2002 Bali bombing. Indonesia has repeatedly asked for direct access to Hambali from the time of his 2003 capture in Thailand, to no avail. President Bush announced at the time of the terrorists' transfer to Guantanamo that under interrogation Hambali admitted that 17 JI operatives had been groomed for attacks in the U.S. If true, this would be a new dimension to JI activities that heretofore have been confined exclusively to Southeast Asia.

U.S. seeks Vietnam trade deal and urges haste for Khmer Rouge trial in Cambodia

In July, former top U.S. diplomats and trade officials urged Congress to approve Permanent Normal Trade Relations (PNTR) with Vietnam as both further progress on the road to normal relations between the two countries and as a final step toward WTO membership for Hanoi. There are some senators who oppose PNTR. They are concerned about human rights in Vietnam; U.S. textile associations fear the impact of cheap garment imports. However, the Bush administration enthusiastically backs PNTR and WTO membership, claiming that increased bilateral trade will benefit both countries.

Political cooperation between Washington and Hanoi was further enhanced this quarter at the ARF meeting, when a Vietnamese Foreign Ministry spokesman endorsed the denuclearization of the Korean Peninsula. Subsequently, in late August, responding to a request from the U.S. Treasury Department and in compliance with Hanoi's own 2005 decree to fight money laundering, Vietnamese officials began to investigate "illegal transactions of North Korea in Vietnamese banks." Later reports indicated that North Korea was transferring funds out of Vietnam to other locations.

As Cambodia proposes at long last to convene a multimillion-dollar tribunal to try the few remaining elderly Khmer Rouge leaders for genocide, U.S. Ambassador Joseph M. M. M. defended the cost of over \$56 million as necessary to heal the country's spiritual and psychological wounds by finally seeing what remains of the perpetrators brought to justice. Retired King Sihanouk questioned the value of the UN-backed tribunal for crimes against humanity during the 1975-1979 period of Khmer Rouge rule. Sihanouk stated the money would have been better spent alleviating poverty. Although the U.S. has not contributed funds directly to the tribunal, it has contributed \$1 million for the collection of testimonies and documents that form the backbone of the evidence to be presented to the Court.

Washington raises Burma's political repression before the UN Security Council

The U.S. kept up its pressure on Burma for human rights violations but assured other ASEAN members that the Trade and Investment Framework Arrangement initialed by Washington with ASEAN in late August was independent of U.S. criticisms of the Burmese junta's objectionable domestic behavior. Nevertheless, Secretary of State Rice at the late July ASEAN Ministerial Meetings urged her ASEAN colleagues to press the

Rangoon regime to end four decades of military rule. She also indicated that the United States would seek a UN Security Council resolution condemning the activities of the Burmese regime. Both Malaysian Prime Minister Abdullah Badawi and ASEAN Secretary General Ong Keng Yong admonished Burma for hurting ASEAN's relations with major partners, particularly the European Union and the United States.

Burma's response has been to accuse the U.S. of interfering in Rangoon's domestic affairs. In a Aug. 25 written attack on the U.S. Embassy by the junta's newspaper, *The New Light of Burma*, embassy officials, and local employees were castigated for daily visits to the headquarters of the political opposition party, The National League for Democracy. The junta also alleged that the embassy's English language classes are really engaged in indoctrination of students with anti-regime propaganda. The U.S. Embassy denied the charges, noting that the courses have been offered for years and are within the bounds of standard diplomatic practice.

On Sept. 1, the U.S. delegation to the UN asked the Security Council to place Burma on its agenda for lack of democracy and human rights violations. U.S. Ambassador to the UN John Bolton claimed the junta's actions with respect to human rights, refugees, drug trafficking, and HIV/AIDS were having a destabilizing impact on the region. Even U.S. First Lady Laura Bush entered the fray, hosting talks in New York on Burma's "humanitarian crisis." For the first time, Japan joined the U.S. in voting for the resolution that places Burma on the UNSC agenda. The Council vote was 10-4; expectedly China and Russia opposed, arguing that Burma's internal affairs do not pose a threat to international security.

Thai prime minister warned the U.S. of plots to depose him

As early as the end of June, Thai Prime Minister Thaksin Shinawatra had written to President Bush that current events in Thailand were threatening democracy. Opposition parties in Thailand chastised the then caretaker prime minister for appealing to the U.S. president "in a way that makes our country look like a colony of yours." Bush chose to stay out of the fray.

Then on Sept. 19, Thailand experienced its first coup in 15 years when Army Chief Gen. Sondhi Boonyaratkalin terminated Parliament, the Cabinet, and the 1997 Constitution. Fortunately bloodless, Sondhi's action was endorsed by Thailand's revered monarch King Bhumibol Adulyadej. Prime Minister Thaksin has been a polarizing figure in Thai politics for a long time. Overwhelmingly popular in the countryside – particularly in the north and northeast – he had handily won three elections by landslides. A billionaire telecommunications magnate, he had allocated a considerable amount of money to farmers and small rural businesses. However, urban dwellers and particularly businesspeople, intellectuals, and many in the military had become disillusioned with his arrogance, corruption, and cronyism as he promoted relatives and friends in the armed forces over experienced officers. Another precipitating factor in Thaksin's unpopularity was the sale of his family's Shin Corporation to Singapore interests for \$1.9 billion, a sum on which no taxes were paid. Thailand's ASEAN neighbors have variously called

for calm, expressed disappointment in the termination of a democratically elected government, or stated that the coup constituted an “internal” matter for Thailand.

On Sept. 21, the U.S. State Department condemned the coup as a setback for democracy and urged a return to civilian government – an outcome actually promised within two weeks of the coup by its leaders. Washington hinted that some U.S. aid to Thailand could be at risk and that further negotiations on a free trade agreement would depend on a return to democratic rule. In general, however, the U.S. reaction has been relatively mild, reflecting an understanding that the coup may have preempted a much more dangerous political confrontation.

A projection

This quarter witnessed a significant breakthrough in U.S. recognition of Southeast Asia’s political and economic importance. The Bush administration is now openly touting the prospect of an ambassador to ASEAN as well as a new high-level Treasury Department official for Southeast Asian financial relations. There is also talk in Washington and Southeast Asian capitals about an ASEAN-U.S. free trade agreement to supplement the bilaterals being negotiated. If one adds these proposals to continued joint military exercises and antiterrorism cooperation, a significantly enhanced U.S. profile is rising in Southeast Asia. Given China’s highly successful Southeast Asian diplomatic and economic efforts over the past several years, Washington’s enhanced activities are a welcome addition to the regional mix. Southeast Asia’s multi-dimensional importance to the U.S. has finally been acknowledged. Now, Washington needs to fulfill its promises.

Chronology of U.S.-Southeast Asia Relations July-September 2006

July 1, 2006: Two U.S. Navy ships dock at Ho Chi Minh City, the first time that two U.S. vessels have called at the same time and the fourth U.S. Navy visit to Vietnam since the war ended in 1975.

July 2, 2006: Some 10,000 Indonesians mass in front of the U.S. Embassy to condemn Israel’s offensive into the Gaza Strip and Israeli arrests of Palestinian officials. The protestors come from the Muslim-oriented Prosperous Justice Party (PKS).

July 7, 2006: Some 1,000 protestors from the Islamist PAS party march on the U.S. Embassy in Kuala Lumpur protesting Israeli incursions into Gaza and U.S. support for Israel.

July 11-19, 2006: Indonesian and U.S. Navies began their annual *CARAT* exercises to enhance bilateral cooperation. The 2006 *CARAT* exercises began in Singapore in June and were followed by Thailand and then Indonesia. Brunei, Malaysia, and the Philippines will follow before the exercises conclude in August.

July 13, 2006: U.S. Pacific Commander Adm. William Fallon begins a four-day visit to Vietnam for military and security discussions, his first in his current post.

July 15-21, 2006: The U.S. Navy hospital ship, *Mercy*, completes a six-day humanitarian mission on Indonesia's Nios island. Thousands of patients were treated on shipboard and on shore. NGOs from several countries worked with the *Mercy* medical staff.

July 17, 2006: Pacific Commander Adm. Fallon pays an introductory visit to Cambodia.

July 20, 2006: The Philippine and U.S. militaries agree to conduct joint military exercises under the newly formed Security Engagement Board. The new Board focuses on nontraditional security threats such as terrorism.

July 21, 2006: U.S. Chief of Naval Operations Adm. Mullins visits Singapore and underscores the longstanding cooperation between the two navies.

July 24, 2006: U.S. and Malaysian navies begin a 10-day *CARAT* exercise involving some 3,000 personnel. The exercise includes land and sea combat and rescue.

July 25, 2006: Michael Ray Aquino, a former Philippine National Police officer, pleads guilty in U.S. federal court to unauthorized possession of U.S. defense documents.

July 27, 2006: The U.S. and ASEAN initial a five-year action plan to boost trade and investment ties as well as counter-terrorism and the fight against HIV/AIDs.

July 27, 2006: Philippines awarded a \$21 million anti-corruption program grant under the U.S. Millennium Challenge Account Threshold Program.

July 27, 2006: 10 ASEAN foreign ministers and Secretary Rice sign a framework document to implement the 2005 ASEAN-U.S. Enhanced Partnership.

July 27, 2006: Malaysian Foreign Minister Abdullah Ahmad Badawi tells Secretary Rice to have the U.S. use its influence to broker immediate ceasefires in Lebanon and Gaza.

July 28, 2006: Malaysia and the U.S. sign a criminal investigation agreement to combat terrorism and corruption on the sidelines of the ASEAN Regional Forum (ARF) meeting.

July 28, 2006: Hundreds of anti-Israeli demonstrators from the youth wing of Malaysia's ruling UMNO party storm the convention center where the ARF was meeting, insisting on talking with Secretary Rice to halt Israel's aggression against Lebanon. Police held the demonstrators back.

July 28, 2006: Secretary Rice praises ASEAN for the "important evolution" of its policy in dealing with Burma, especially the need for the junta to make political reforms and release Ann Sang Suu Kyi from house arrest.

July 28, 2006: On the sidelines of the ARF meeting, Secretary Rice meets Vietnamese Foreign Minister Khiem and reiterates the Bush administration's support for permanent normal trade relations.

Aug. 1, 2006: President Bush renews economic sanctions against Burma for continued human rights violations.

Aug. 6, 2006: Thousands gather in front of the U.S. Embassy in Jakarta to protest U.S. support for Israel in its fight with Hezbollah in Lebanon and Hamas in Gaza, but President Yudhoyono rejects calls for Indonesia to send militants to fight against Israel.

Aug. 7, 2006: U.S. and Brunei Navy ships begin a *CARAT* exercise emphasizing interdiction of maritime crime and terrorists.

Aug. 8, 2006: Philippine Senate Agriculture Committee sends a declaration to the U.S. attorney general opposing former Philippine Agriculture Secretary Jocelyn Bolante's application for political asylum in the United States. The declaration states that Bolante fled the Philippines to avoid prosecution for the "plunder of public funds."

Aug. 9, 2006: At a Singapore National Day reception, deputy U.S. treasury secretary announces plans by the Bush administration to seek the appointment of a U.S. ambassador to ASEAN.

Aug. 14-21, 2006: Philippine and U.S. Navies engage in a *CARAT* exercise involving 8,000 Philippine marines and 2,000 U.S. personnel. The exercise includes counterterrorism and transnational crime scenarios.

Aug. 15-18, 2006: U.S. Ambassador-at-large for Religious Freedom John Hanford visits Vietnam.

Aug. 16-17, 2006: A two-day labor dialogue between Vietnam and the U.S. takes place in Washington where U.S.-funded projects on job creation, people with disabilities, child labor, and HIV/AIDS in the workplace are reviewed.

Aug. 25, 2006: U.S. Navy hospital ship *Mercy* ends a six-week humanitarian mission in Indonesia, conducting surgeries, primary and emergency health care. *Mercy* personnel also trained Indonesian paramedics and saw thousands of patients.

Aug. 25, 2006: U.S. and ASEAN sign Trade and Investment Framework Arrangement (not a treaty). The document promises better protection for U.S. intellectual property. The U.S. has complained about inadequate protection for films and computer software.

Aug. 29, 2006: U.S. Pacific Command and Indonesia's armed forces sign a Terms of Reference to increase defense cooperation in Education, Intelligence, Training, and Logistics.

Sept. 1, 2006: John Bolton, U.S. ambassador to the UN, asks the Security Council to place Burma on its agenda to discuss human rights and the lack of democracy.

Sept. 1, 2006: The *Mercy* completes a five-month humanitarian mission in Southeast Asia during which medical and dental services were provided to thousands in the Philippines, Bangladesh, Indonesia, and East Timor. *Mercy* staff also provided medical education and civil engineering projects.

Sept. 7, 2006: Thailand denies it hosted a secret detention center for the U.S. CIA to hold high level al-Qaeda prisoners after the U.S. invasion of Afghanistan.

Sept. 15, 2006: UN Security Council schedules a formal review of the situation in Burma for shortly after Sept. 19.

Sept. 19, 2006: A bloodless military coup ousts Thai Prime Minister Thaksin Shinawatra while he is in New York for the UN General Assembly. The U.S. regrets the lapse in democratic procedures and hopes for the restoration of democracy.

Sept. 22, 2006: Indonesian Vice President Jusuf Kalla visits the U.S. to encourage more foreign investment in his country, particularly in mineral resources.

Sept. 28, 2006: Washington suspends \$24 million in military assistance to Thailand.