

Chapter 7

The United States: Asia-Pacific Rebalancing Put to the Test

The administration of President Barack Obama, who began his second term of office in January 2013, is pushing ahead with the Asia-Pacific rebalancing policy, which was revealed over a period from the end of 2011 to the start of 2012. Meanwhile, it is undeniable that it is facing numerous challenges, one of which concerns fiscal issues—a point of dispute between the administration and the Republican Party since 2011. Notably, in 2013, sequestration, an enforcement mechanism for across-the-board, automatic cuts of federal spending, went into effect and significantly disrupted the activities of the federal government including that of the Department of Defense (DOD). This especially had a marked impact on expenditures for military activities, with, among others, cancellation of the overseas deployment of ships as well as of flight training and unit training. There are concerns that if these cuts to the defense budget continue, the effects will add up and reduce military response capabilities. In addition, although sequestration was consequently avoided in FY 2014, based on the possibility of sequesters continuing on up to FY 2021, the DOD conducted the Strategic Choices and Management Review (SCMR) to study options for further defense spending cuts. Studies were conducted with a trade-off between modernization and the maintenance of force capacity in mind. The results obtained were viewed to indicate that regardless of the approach taken, it would be difficult to absorb defense budget cuts to completely meet sequestration-level cuts.

But despite such difficulties, the second Obama administration is continuing with efforts to sustain its policy of rebalancing to the Asia-Pacific. The Middle East is shaking from the political unrest in Egypt and the Syrian situation, and it has been noted that depending on how the Middle East situation develops, the United States might not be able to invest resources to the Asia-Pacific as envisioned in the rebalancing policy. Nevertheless, while assuming that there will be fiscal restrictions, the United States in 2013 continued to advance its policy to strengthen engagement in the Asia-Pacific region in parallel with its commitments to other regions as a global power.

In promoting its Asia-Pacific rebalancing policy, the Obama administration is attaching importance to not only bilateral and trilateral relations with its allies, but to strengthening partnerships with other key regional countries as well, such as Vietnam, Indonesia, and India. In addition, it also regards the strengthening of cooperative relations with the Association of Southeast Asian Nations (ASEAN) and other regional institutions to be vital. In particular, the administration

anticipates that the East Asia Summit (EAS) and the ASEAN Defence Ministers Meeting-Plus (ADMM-Plus), hailing the participation of eighteen major nations from within and outside the region, will develop as mechanisms for the settlement of regional disputes in the future. The administration is also aiming to build productive and constructive relations with China through its rebalancing, and is promoting ongoing dialogue through senior-level talks and military exchanges. Moreover, despite the sequester, the United States continues to take steps to strengthen its presence in the Asia-Pacific, such as rotational deployment of the Marines to Australia and deployment of littoral combat ships (LCS) to Singapore.

1. FY 2013 Sequestration and Defense Budget Cuts

(1) Sequestration and Its Impact

The second Obama administration, which launched in January 2013, is promoting the pivoting of its foreign and security focus toward the Asia-Pacific region—the so-called Asia-Pacific rebalancing policy revealed over the period from the end of 2011 to the start of 2012. But it is also true that it is facing numerous challenges to this end. One of these challenges concerns the federal budget cutbacks that have been a point of dispute between the administration and Republican Party since 2011. Notably, in 2013, impacts were felt when sequestration, an enforcement mechanism for across-the-board, automatic cuts of federal spending, became a reality.

The implementation of sequestration in 2013 was fully foreseeable when the Budget Control Act of 2011 (BCA), which contained this measure, was approved on August 2, 2011. Moreover, when the Joint Select Committee on Deficit Reduction failed to reach agreement on a bill aimed at cutting deficits by \$1.5 trillion on November 21 of that year, sequestration was set to go into effect on January 2, 2013, as stipulated by the BCA. However, the DOD, and indeed the entire administration, maintained the position of not implementing detailed planning to deal with the sequester, stating that it is the responsibility of Congress to work out a way to avoid it, including through the amendment of legislation. Because of this, the DOD did not prepare for the sequester until the beginning of December 2012.

Then, as a result of negotiations between the Obama administration and the Republicans at the end of 2012 concerning the fiscal cliff, the initiation date of sequestration was delayed two months from January 2 to March 1, 2013. But as

an agreement was not reached on averting sequestration itself after the fiscal cliff deal, on March 1, President Obama signed the order to put sequestration into effect. In this way, the 2013 sequester led to confusion with little margin for choice because it was implemented in March, five months after the start of the 2013 fiscal year in October 2012, amid a situation in which the DOD spent little time to prepare for it. With regard to the DOD, this time's sequestration slashed \$37.2 billion, or 5.5 percent of the some \$677.4 billion total defense budgetary resources comprising the FY 2013 budget and the balance carried forward from the previous year. Not all the accounts, however, were subject to the cuts. Based on the provisions of the BCA of 2011, the military personnel (MILPERS) account, which is more than 20 percent of the DOD budget, was exempted from

Table 7.1. Sequestration of the DOD budget implemented in FY 2013

(unit: \$1,000)^a

Budget Account	Budget based on FY 2013 Appropriation Act (A)	Budget based on 2013 Disaster Relief Appropriation Act (B)	Balances carried forward from prior year (C)	Total budgetary resources (A+B+C)	Total sequestration	Reduction rate
Military Personnel (MILPERS) ^b	149,651,297	0	0	149,651,297	0	0
Operation and Maintenance (O&M)	272,700,307	62,825	9,485,065	282,248,197	20,326,929	7.2%
Procurement	109,768,325	1,310	36,748,595	146,518,230	9,790,040	6.7%
Research, Development, Test and Evaluation	69,592,266	0	4,973,013	74,565,279	6,054,830	8.1%
Military Construction	8,937,713	24,235	9,649,418	18,611,366	820,913	4.4%
Other	4,380,294	24,200	1,361,291	5,765,785	224,106	3.9%
Total	615,030,202	112,570	62,217,382	677,360,154	37,216,818	5.5%

Source: Office of the Under Secretary of Defense (Comptroller), *Department of Defense Report on the Joint Committee Sequestration for Fiscal Year 2013* (Washington, DC, 2013), pp. 1A, 2A, 3A, 4A, 6A

a: Budget function 050 "national defense," includes not just the DOD budget (051), but also the nuclear weapons-related budget of the Department of Energy (053) and other defense-related functions (054) that make up a portion of the budgets of the Federal Bureau of Investigation and other departments. The DOD budget accounts for about 95 percent of the "national defense" function.

b: The MILPERS account was exempted from the sequester. The reduction rate of the total budget subject to sequestration (excluding the MILPERS account) is about 7.1 percent.

sequestration. There is no doubt about the consequences this had on the other defense budget accounts. The impact was most strongly felt in the operation and maintenance (O&M) account. Along with cancellation of ship deployments, the deployment of the USS *Harry S. Truman* carrier strike group (CSG), scheduled to depart for the Middle East in February, was set back to July. Amid the effects of budget restrictions on ship deployment, the average number of ships deployed overseas out of the total fleet in FY 2013 was 95 out of 285 ships, down by 10 ships from the 105 ships deployed in the previous fiscal year.

It is said that sequestration also had an impact on surge capacity in an emergency. The US Navy normally deploys to both the Middle East and the Pacific a CSG and an amphibious ready group (ARG) centering on amphibious assault ships, which are fully mission-capable and certified for major combat operations. In addition, when deemed necessary, the Navy retains three CSGs and ARGs in the continental United States, which can be deployed within about one week. It is said that due to sequestration, this has been reduced to one group each.

The Air Force had to reduce flying hours by grounding 31 squadrons. For the Army, maneuver exercises at combat training centers (CTC), which had been conducted to prepare Army units for war through highly realistic war games against dedicated opposing force, were completely cancelled other than for those slated to deploy to Afghanistan. Consequently, CTC rotations were cancelled for seven brigade combat teams, equivalent to one-third of the original plans (see Table 7.2).

However, despite the sequestration in FY 2013, considerations were given to prevent the impact of the sequestration on the operations in Afghanistan. Priority was given to budgeting for not only the units deployed in Afghanistan, but also for the training of those scheduled to deploy. As will be shown in Section 3, it also appears that there is no large impact on Asia-Pacific rebalancing in the short term. There are concerns, though, that if cancellation of training necessary to maintain proficiency and postponement of maintenance of equipment worn and damaged in the operations in Afghanistan continue, the cumulative effects will lead to an overall reduction of military readiness.

Many feared that sequestration of a scale equal to that of FY 2013 would be repeated in FY 2014 as well, causing even more serious damages. Sequestration from FY 2014 will not take the form of across-the-board cuts of a pre-determined amount to the total budget as was done in 2013. In and after FY 2014, if the amount

Table 7.2. Main impacts of sequestration on each branch of the military

Army	<ul style="list-style-type: none"> • Cancelled CTC rotations for seven brigade combat teams (about one-third of the original plans). • Postponed maintenance (reset) of equipment used in operations in Afghanistan and Iraq to the following fiscal years (172 aircraft, 900 vehicles, 2,000 weapons, 10,000 pieces of communications equipment; equivalent to approximately \$716 million). • Reduced regular maintenance costs for units that were not deployed in the previous fiscal year. • Released about 2,600 civilian and contract personnel in engineering and trade skills. • Deferred maintenance and delayed new fielding of pre-positioned sets of equipment. • Halved basic research grants (affected grants at 120 universities). • Implemented early separation of commissioned officers. • Reduced base sustainment funds by \$2 billion (a 70 percent drop from historic levels of funding).
Navy	<ul style="list-style-type: none"> • Cancelled five ship deployments. • Reduced surge capacity (the numbers of CSGs and ARGs that can be deployed within one week were normally three each, but this was reduced to one each). • Delayed deployment of the USS <i>Harry S. Truman</i> CSG by six months. • Decided on inactivation of USS <i>Miami</i>, the attack submarine that was damaged by fire. • Reduced restoration and modernization of facilities by about 30 percent. • Reduced base operations by about 20 percent. • Cancelled the Blue Angels' flight demonstration and non-essential port visits for Fleet Weeks.
Air Force	<ul style="list-style-type: none"> • Grounded 31 squadrons (including 13 combat-coded squadrons). Limited 7 squadrons to basic takeoff and landing practice. • Reduced aircraft maintenance by 18 percent, and deferred repairs of critical facilities (including runway and taxiway). • Cancelled exercises (Red Flag 13-4 [scheduled for July], Red Flag-Alaska 13-2 [scheduled for April], and Northern Edge [scheduled for June]). • Cut back FY 2013 procurement of F-35A fighters from 24 to 19. • Cancelled Thunderbirds flight demonstration.
Marine Corps	<ul style="list-style-type: none"> • Deferred 22 scheduled aircraft depot inductions. • Cut facility maintenance costs • Cancelled air shows, etc.
DOD-wide	<ul style="list-style-type: none"> • Furloughed about 640,000 of the 777,000 DOD civilians for six days (48 working hours) during the period from July 8 to August 17. (Equivalent to a 20 percent reduction of salary for the same period.)

Sources: Prepared statements submitted by the Services to the House Armed Services Committee Hearing (September 18, 2013) and the Senate Armed Services Committee Hearing (November 7, 2013).

approved by appropriations acts for a particular fiscal year surpasses the caps established in the BCA for discretionary spending (portions of the federal budget that are provided through annual appropriation acts to execute government policies) for both “defense” and “non-defense” categories, automatic and across-the-board cuts will be implemented for each account in both categories in order to meet these ceilings.

However, on December 10, agreement was reached on the blueprint for funding in FY 2014 and 2015 at the budget conference established between the house and the senate. Following the agreement, on the 26th of that month, the Bipartisan Budget Act of 2013 was signed into law. Based on this law, the abovementioned BCA discretionary spending caps for the defense and non-defense categories were each raised by about \$20 billion in FY 2014 and by about \$9 billion in FY 2015 (e.g., the ceiling for defense spending in FY 2014 was raised from \$498.1 billion to \$520.5 billion, and raised from \$512.0 billion to \$521.3 billion in FY 2015). Furthermore, with the Consolidated Appropriations Act, 2014, which was passed shortly afterwards, the budget for FY 2014 was established to meet the aforementioned discretionary spending caps, avoiding sequestration in FY 2014. However, although automatic, across-the-board budget cuts in the form of sequestration were averted, severe restrictions are still in place as the budget for the defense category established by the Consolidated Appropriations Act is some \$33.5 billion less than that proposed in the FY 2014 President’s Budget.

(2) “Strategic Choices and Management Review” and Future US Defense Structure

Unless sequestration is abolished by legislation, it could continue up to FY 2021. When this situation is taken into account, it becomes necessary for the DOD to analyze the impacts of further cuts to defense spending and study what options are available to meet these demands. To this end, on March 15, 2013, Secretary of Defense Chuck Hagel directed the department to conduct the Strategic Choices

and Management Review (SCMR).

The SCMR itself did not set any decisions. It was fundamentally positioned as preparing options for the defense secretary in anticipation of an environment of uncertainty concerning the budget. It presented results that will frame the secretary's fiscal guidance for the FY 2015 budget and provide the foundation for the 2014 *Quadrennial Defense Review* (QDR). Hagel announced the results of the SCMR study on July 31, two months after the initial target date of May 31, and also gave a briefing on this to Congress on August 1.

In the SCMR, defense budget reductions were first studied through "efficiency savings" and "compensation savings." With regard to efficiencies, it was noted that reductions amounting to as much as \$90 billion from FY 2015 to 2023 would be possible through a 20 percent reduction of the budgets for the Office of the Secretary of Defense (OSD), Joint Staff, and the Service headquarters, and by consolidating or eliminating functions within the OSD and reducing the intelligence analysis sections of the Service headquarters, among other measures. On the other hand, regarding cutbacks by compensation savings, in addition to changing military health care, housing allowance, overseas cost of living adjustments, and limiting pay raises, deeper reduction proposals were put on the table; these include eliminating civilian pensions for retired military personnel in civilian government service, ending subsidies for defense commissaries, and restricting the availability of unemployment benefits. It was noted that these measures would lead to a \$100 billion reduction of defense expenditure over the next ten years.

However, it was noted that the SCMR showed that efficiencies and compensation adjustments alone do not create enough defense savings to meet sequestration-level cuts. As a more fundamental argument, studies were made from the perspective of a trade-off between force capacity and modernization programs (research and development and procurement of equipment). Examinations were conducted on how future force structure should be, focusing on two approaches: (1) preserving a modernized force by sacrificing capacity, and (2) preserving larger force capacity at the expense of modernization programs.

According to the explanation on the SCMR by Hagel, in the first approach placing priority on modernization, the active Army will be reduced to between 380,000 and 450,000 troops (in the plan announced in the FY 2013 defense budget request, Army end strength will be reduced from the peak number of

570,000 in FY 2010 to 490,000 in FY 2017); the current number of CSG will be reduced from eleven to eight or nine; the Marine Corps end strength will be reduced to between 150,000 and 175,000 (in the aforementioned plan, this is a reduction from 202,000 in FY 2010 to 182,100 in FY 2017); and old Air Force bombers will be retired. On the other hand, from this perspective of promoting modernization, the long-range strike family of systems, submarine cruise missile upgrades, the Joint Strike Fighter (JSF) program, and other investments to counter anti-access and area-denial (A2/AD) threats will be protected. But although this approach would result in a US force that is “technologically dominant,” it will be smaller. Thus, there are concerns that this would make response difficult, especially if crises occur at the same time in different regions.

Meanwhile, in the approach placing priority on maintaining force size, while working to sustain capacity for regional power projection and presence through more limited cuts to ground forces, ships, and aircraft, this would mean cancellation or curtailment of modernization programs. It is feared that this will result in a “decade-long modernization holiday,” eventually making it more difficult for the US military, equipped with aging weapons, to deal with more technologically advanced adversaries.

This SCMR approach to reducing defense expenditure by centering on a trade-off between modernization and force size, is, speaking simply, also a choice of when to take the larger risks, now or in the future. Analysis focusing on this kind of trade-off has also been implemented outside the government. In the “Strategic Choices Exercise,” which was conducted by four major think tanks in Washington—the American Enterprise Institute (AEI), Center for a New American Security (CNAS), Center for Strategic and Budgetary Assessments (CSBA) and the Center for Strategic and International Studies (CSIS)—a team of experts from each institute drew up proposals for defense budget reduction based on two scenarios for budget cuts over a period of ten years from FY 2014 to 2023: one where full sequestration of defense spending is implemented, and one where half of it is implemented. The results of the Strategic Choices Exercise were announced on May 29, just prior to the initial deadline for the SCMR results.

According to documents of the CSBA, which hosted this exercise, when the proposals by the participating think tanks and that of the SCMR are compared, while there are similarities with the SCMR, there were also differences such as that the think tanks were “willing to accept more near-time risks in readiness to

avoid deeper cuts in force structure and future capabilities,” and “made significant new investment beyond current programs of record to rebalance DoD’s portfolio of capabilities.” Namely, it appears that the reduction proposals of the think tanks participating in the exercise take more near-term risks in order to prepare for future risks.

Certainly, viewing the budget reduction proposals developed by the think tanks during the exercise, it can be seen that they even argue for significant reductions of DOD civilians—between 80,000 and 260,000—in order to work out a budget for modernization. DOD civilians are engaged in a diversity of duties, including equipment maintenance, medical care, family support, and base operating services, and their numbers have increased by nearly 20 percent from 650,000 in FY 2001 to 77,7000 in FY 2013. Defense experts outside the government, have been indicating that some kind of reduction is necessary here, but this was not especially noted in the SCMR reduction proposal.

The proposals at the exercise also called for active-duty end strength to be reduced from the current 1.4 million to between 1 and 1.1 million troops. Moreover, while proposing a significant reduction of non-stealth tactical aircraft and bombers, they suggested that priority be given to securing a budget for stealth unmanned aircraft and new stealth bombers. The proposals also include a reduction of up to four carriers, a figure that surpasses that of the SCMR, and advocate a bolstering of submarine capacity. It is also argued that increased investment is necessary for cyber warfare capability.

There is no doubt that risks will accompany this sacrifice of force capacity for the promotion of modernization. For example, among the four think tanks represented in the exercise, the CSIS proposal contains the largest reduction of ground forces, downsizing the Army’s active-duty end strength to 327,000 troops. This is based on a “strategic retreat” from the Middle East, and they admit that this in itself poses “strategic risks.” On the other hand, while the AEI reduction proposal suggests that carriers be reduced to eight, it is clearly noted that this will result in “no regular carrier presence in [the] Gulf.”

The objective of the SCMR was to identify “options for reshaping our force and our institutions in the face of difficult budget scenarios” and it did not make any specific decisions. However, DOD officials also revealed concrete proposals, albeit partial, for reduction based on the assumption of ongoing future sequestration.

There was, for example, deeper and earlier implementation of the already

announced reduction of Army and Marine Corps end strength. In the original plan, it was scheduled to reduce Army active-duty end strength to 490,000 and Marine Corps active duty end strength to 182,100 during FY 2017. But the Army is planning to move up the above cuts by two years to FY 2015. Meanwhile, the Marine Corps has unveiled a plan for deeper cuts to 174,000 troops in order to maintain readiness under a limited budget.

Amid the likelihood that budget cuts will continue into the future, force capacity and readiness were also considered from the perspective of trade-offs. The Army revealed prospects that they will be forced to implement a “tiered readiness system” for the units that are not deployed, dividing them into those maintaining high levels of readiness and those with relatively low levels of readiness (only about 20 percent of the operating force will be at appropriate readiness levels). On the other hand, with regard to the Marines who see as their core mission to respond to any crisis, tiered readiness is “unacceptable,” as even those units that are not deployed are required to maintain high levels of readiness to deploy on short notice. For the Air Force, the policy to “prioritize global, long-range capabilities and multi-role platforms that are required to operate in highly contested environments” was revealed, and aircraft that are not relevant in this sense will not just be reduced in number, but the entire fleet will be divested.

In the case of the Navy, if the sequester continues, force capability will become what is referred to as the “2020 Fleet.” According to this scenario, although the FY 2013 defense budget request is based on a plan to possess 295 ships by FY 2020, the continuation of sequestration will result in a reduction to about 255 to 260 ships (the CSGs and ARGs currently numbering eleven groups each will be reduced to nine or ten groups). Should that be the case, the plan to increase globally deployed presence from the current 95 ships to 115 will not materialize, and it will either become impossible to increase the number of ships deployed to the Asia-Pacific or there will be gaps in CSG presence in the Middle East totaling two to three months each year.

Within such circumstances, Hagel, in a speech at the CSIS on November 5, stated that as potential adversaries invest in more sophisticated capabilities and seek to frustrate the US military’s freedom of action and access, it will be important for the United States to maintain its “decisive technological edge,” for example, “by prioritizing a smaller, modern, and capable military over a larger force with older equipment.”

When these views are consolidated, although there are differences in focus between the military branches, it appears that importance is being placed on implementing greater reduction of force capacity and prioritizing future modernization. What kind of strategic options the United States selects under such financial restrictions remains to be seen.

2. Asia-Pacific Rebalancing in the Second Obama Administration

(1) Rebalancing amid Global Commitments

Even within the sequestration situation explained in the previous section, the Obama administration is striving to advance its rebalance to the Asia-Pacific. However, despite the conclusion of “today’s wars” in Iraq and Afghanistan, growing tension in the Middle East such as the political unrest in Egypt and civil war in Syria has cast doubts over the continuity of the rebalance. Namely, it has been noted that depending on how the Middle East situation develops, the United States may not be able to invest resources to the Asia-Pacific as envisioned in the rebalancing policy.

In fact, certain actions of taken after the launch of the second Obama administration seem to back up the notion that the administration is focusing more on the Middle East than the Asia-Pacific. The first region Obama visited in his second term was the Middle East; Secretary of State John Kerry who took office in February 2013 visited Europe and the Middle East nine times in six months; and Hagel’s first foreign visit was also to the Middle East. In addition, with regard to Syria’s civil war, reports in August 2013 that the Assad regime had used chemical weapons developed into a situation heightening the possibility of military action by the United States. However, as Obama decided to seek authorization from Congress for use of military force, actions were consequently put on hold for a decision to be reached by Congress. Then, based on a proposal by Russia, the United States and Russia reached an agreement for a framework to have Syria destroy its arsenal of chemical weapons by early 2014. Although this averted the possibility of US military intervention in Syria, with no end in sight to the country’s civil war, there’s no predicting how US involvement in this region will develop.

Still, it goes without saying that the United States will, as a global power,

continue to be committed to the security of other regions. This is not a matter of selecting one over the other—the Asia-Pacific or the Middle East. At the IISS Asia Security Summit (Shangri-la Dialogue) in June 2013, Hagel said, “The US has allies, interests and responsibilities across the globe. The Asia-Pacific rebalance is not a retreat from the other regions of the world.” Vice President Joseph Biden also stated that the United States can also be engaged in other regions such as the Middle East and Europe while promoting the rebalance to the Asia-Pacific because, “that’s what big powers do.” Furthermore, as can be seen in the next section, in 2013, the United States has been pursuing the rebalance, regardless of the fiscal restrictions. Commitments to Europe and the Middle East also rank alongside the rebalance to the Asia-Pacific as important tasks for the United States as a global power. If the United States maintains its global commitment on the assumption of limited resources, it would be clear that, as Hagel indicated at the Shangri-La Dialogue, “the wise, judicious and strategic use” of resources including military force, will become increasingly necessary.

Figure 7.1. Foreign trips by President Obama, Vice President Biden, and Secretary of State Kerry in the second Obama administration (2013)



Sources: White House and Department of State press releases.

(2) Characteristics of the Asia-Pacific Rebalance

Although the rebalancing to the Asia-Pacific was a policy revealed around the beginning of 2012, its characteristics came to light with its concrete promotion. First, as stressed by Thomas Donilon, national security adviser to the president, in a speech at the Asia Society on March 11, 2013, that, “from the outset, the Obama Administration embarked on a concerted effort to develop and strengthen regional institutions,” the United States is seeking to build broad and multi-layered networks: modernizing its relations with the allies, strengthening partnerships with other key regional countries, and deepening ties with regional institutions centering around ASEAN by participating officially in the East Asia Summit (EAS) and by actively engaging with the Asian Defence Ministers’ Meeting-Plus (ADMM-Plus). The United States is pursuing this approach due to the fact that the nature of the security challenges in this region cannot be addressed by the United States unilaterally. Namely, in addressing issues such as North Korea, territorial disputes in the South China Sea, proliferation of weapons of mass destruction, as well as large-scale natural disasters, it would be essential to cooperate with the countries concerned and regional institutions, and enhance their response capacities. Through this partnership approach, the Obama administration is seeking to assist their efforts for capacity building and formulation of mechanisms for peaceful settlement of disputes.

The second characteristic of this rebalance is that it is particularly focused on Southeast Asia. Donilon has declared that, “the United States is not only rebalancing to the Asia-Pacific, we are rebalancing *within* Asia to recognize the growing importance of Southeast Asia.” The Obama administration is placing importance on bilateral cooperation with Vietnam, the Philippines and other countries of the region and is aggressively promoting this policy. It can be considered that this posture is significantly affected by the fact that the region is also important economically and at the same time carries issues that are related to the future stability of regional order, beginning with the problems in the South China Sea.

As Donilon stated, “this rebalance is reflected in the most valuable commodity in Washington: the President’s time,” another distinctive feature of this policy is that the Obama administration felt it important for the President and other high-ranking officials to visit this region. Indeed, both Kerry and Hagel visited the Asia-Pacific three times each in 2013, at a pace of about once every three months.

In this way, through an active diplomatic presence of government officials, the administration is striving to express the position that the United States views the Asia-Pacific as vital. In this sense, the cancellation of President Obama's scheduled participation in the Asia-Pacific Economic Cooperation (APEC) Summit and the EAS in the beginning of October 2013 due to the government shutdown that same month, and postponements of his visits to Malaysia and the Philippines was a disappointing turn of events for the administration.

The postponement of President Obama's Asian tour, announced in October 2013, deepened doubts among foreign specialists as to whether the rebalance to the Asia-Pacific will be continued by the Obama administration in its second term. Previous signs had pointed in this direction as well, such as the lack of key speeches on US Asia-Pacific policy following the March speech by Donilon, and the appointment of Daniel Russel, Assistant Secretary of State for East Asian and Pacific Affairs, on July 12, five months after his predecessor, Kurt Campbell, resigned from the post.

In order to sweep away these suspicions, Susan Rice, who replaced Donilon as the president's national security adviser on July 1, presented a speech at Georgetown University on November 20 titled, "America's Future in Asia." This was the first speech on Asia by a senior official since the government shutdown of October. In her speech, Rice revealed that Obama would be visiting the Asia-Pacific region in April 2014. Following this she positioned the rebalance toward the Asia-Pacific as the cornerstone of the administration's foreign policy, stressing that, "No matter how many hotspots emerge elsewhere, we will continue to deepen our enduring commitment to this critical region." Moreover, she outlined the administration's policy objectives in the Asia-Pacific as seeking to establish a more stable security environment in Asia, an open and transparent economic environment, and a liberal political environment. This speech at Georgetown University was the first time for the administration in its second term to systematically describe what it aims to achieve through its policy on Asia. This can be taken to be a clear expression by the administration concerning its position of pursuing a rebalance to the Asia-Pacific regardless of various difficulties it is facing.

3. Progress in the Asia-Pacific Rebalancing Strategy

(1) Initiatives to Strengthen Relations with the Region's Nations and ASEAN

Along with striving to strengthen relations with Japan, South Korea, Australia, and other allies in the Asia-Pacific as one facet of its rebalancing, the Obama administration is also deepening cooperative relations with Vietnam, Indonesia, and other ASEAN nations, and India as well.

With regard to relations with Japan, Kerry and Hagel visited Japan on October 3, 2013, for the first Japan-US Security Consultative Committee (2+2) convened in Japan between the four US and Japanese ministers in charge of foreign policy and defense. At the talks, as efforts forming the cornerstone of the US-Japan alliance, it was agreed to (1) review the Guidelines for US-Japan Defense Cooperation formulated in 1997, (2) expand defense and security cooperation, and (3) implement new measures to support realignment of the US Forces in Japan through cooperation between the two governments. In addition, the US government welcomed Japan's efforts to establish a National Security Council and other national security policies, and revealed that it will continue to strengthen bilateral security and defense collaboration, as well as its stance for regional engagement through maritime security and assistance for capacity-building implemented in coordination with Japan.

It was also agreed at the 2+2 that the alliance should be well positioned to deal with challenges to international norms and threats to peace and security. Notably, with regard to China, the ministers shared the view that they should continue to encourage China to play a responsible and constructive role in regional stability and prosperity, and to adhere to international norms of behavior, and at the same time, improve openness and transparency in its military modernization.

Regarding relations with South Korea, 2013 marked the sixtieth anniversary of the signing of the US-ROK Mutual Defense Treaty. On October 2 of that year, Hagel visited South Korea, and the Forty-fifth US-ROK Security Consultative Meeting (SCM) was held. With regard to the Philippines, in August 2013, negotiations were opened for enlargement of US access to Philippine military facilities. On August 29, Hagel had successive meetings with President Benigno Aquino III, Defense Secretary Voltaire Gazmin, and Foreign Secretary Albert del Rosario, exchanging views with them on matters including the framework

agreement for rotational deployment of US forces to the Philippines.

In relations with Japan, South Korea, and Australia, in addition to bilateral frameworks, trilateral dialogue is also becoming firmly established. In the Japan-US-ROK framework, following the Japan-US-ROK defense ministerial talks in Singapore on June 1, 2013, a Japan-US-ROK trilateral foreign ministers' meeting was held in Brunei on July 1, with agreement reached for further development of trilateral cooperation and for collaboration in addressing issues related to North Korea as well as global issues. In the Japan-US-Australia framework, the Japan-US-Australia defense leaders trilateral meeting was held on June 1, 2013, in Singapore; on July 2, the Japan-US-Australia dialogue on space as related to security was held in Washington, DC; and on October 4, the fifth ministerial meeting of the Trilateral Strategic Dialogue (TSD) was held in Bali, where matters such as the regional situation and maritime safety were discussed.

In relations with Vietnam, on July 25, 2013, President Truong Tan Sang of Vietnam, on his first visit to Washington, held a summit meeting with President Obama. The joint statement announced after the conference outlined their objective to create mechanisms for bilateral cooperation in a broad range of areas including politics, economics, defense and security. The statement also contained items such as continuing bilateral defense dialogues to promote a comprehensive partnership between the two countries, providing cooperation to enhance capabilities such as search and rescue and disaster relief, and United States' support for Vietnam's decision to participate in the United Nations peacekeeping operations (PKO).

Following this, on October 1, the Sixth US-Vietnam Political, Security, and Defense Dialogue was held in Washington. At this dialogue, attended by Tom Kelly, acting assistant secretary of state for political-military affairs, and Vice Foreign Minister Ha Kim Ngoc, it was noted that progress has been made in negotiating a nuclear agreement and it was pledged to make progress on further nonproliferation measures. It was also agreed to strengthen bilateral defense and security cooperation, including maritime law enforcement for humanitarian assistance and disaster relief (HA/DR). Kerry, visiting Vietnam, initialed a nuclear agreement with Foreign Minister Pham Binh Minh on October 10, and by stating, "[t]his agreement will create numerous opportunities for our businesses between our two countries," emphasized that bilateral relations are being strengthened not only in defense cooperation but economic cooperation as well.

The United States is also continuing with efforts to strengthen cooperation with Indonesia. On August 24, 2013, Hagel visited the country and the Joint Commission Meeting was held. At the Security Working Group under this commission, it was not only agreed to sell F-16s through the Excess Defense Article (EDA) program, Maverick missiles through the Foreign Military Sales (FMS) program, and Apache helicopters, but agreement was also reached to establish a “Defense Planning Dialogue” as a framework aiming to support Indonesian-led reform efforts and to share information concerning efficient ways to organize and manage the defense sector.

In the rebalance to the Asia-Pacific, the importance of the areas neighboring Southeast Asia—the Indian Ocean and South Asian region—is also growing. On June 23, 2013, Kerry visited India for the first time since his appointment, and at the fourth annual US-India Strategic Dialogue, discussions were held on a broad range of fields including economy, culture, and security. Vice President Joseph Biden visited the country from July 22 and held meetings with Prime Minister Manmohan Singh and business leaders.

The Obama administration attaches importance to the US-India relationship as “a partnership [that] will be a defining one for the 21st century.” After welcoming Prime Minister Singh to the United States in November 2009, President Obama visited India in November of the following year. On September 27, 2013, Singh, who was visiting the United States to attend the UN General Assembly went to Washington and met with Obama. In the joint statement announced after their meeting, they reaffirmed their wish to further strengthen bilateral defense cooperation and also expressed a desire to partner more closely with other Asia-Pacific countries. Notably, along with greater coordination with Japan, China and ASEAN, they shared a commitment “to support regional multilateral institutions as they continue to develop into effective bodies built on international rules and norms that can address shared challenges.” The United States is also holding expectations that India can play a significant role in strengthening the functions of regional institutions due to its membership in regional multilateral frameworks such as the EAS and the ADMM-Plus.

Since its start, the Obama administration has been placing importance on and actively engaged with multilateral institutions centering on ASEAN. In his speech at the Shangri-La Dialogue, Hagel stated: “The United States strongly supports a future security order where regional institutions move beyond aspiration to

achieving real results and evolve from talking about cooperation to achieving real, tangible solutions to shared problems, and a common framework for resolving differences.” He expressed his expectations for regional institutions to not only provide forums for discussion, but to advance into bodies with real problem-solving capabilities. However, there are skeptical views among the ASEAN nations that regional institutions can develop to the point where they can solve security issues. It remains to be seen if these strong expectations of the Obama administration can actually bear fruit.

Kerry participated in the ASEAN-US Ministerial Meeting and the ASEAN Regional Forum (ARF) Ministerial Meeting held for two days from July 1, 2013. At the ASEAN-US Ministerial Meeting, talks were held on political and security issues in addition to economic, social and cultural issues. At the ARF Ministerial Meeting, apart from talks on the regional situation such as issues concerning the South China Sea and North Korea, discussions were also held on the Iran nuclear issue and cyber security issues.

Hagel participated in the ADMM-Plus held from August 28, 2013. At the end of the meeting, the secretary indicated the importance of the institution by mentioning that, (1) the ASEAN Defence Ministers Meeting (ADMM) held three multinational exercises, which falls in line with the focus of the rebalance to value engagements under not just bilateral frameworks, but multinational frameworks, (2) an HA/DR and military medicine exercise was held under the ADMM-Plus framework, and (3) it provides a platform for the defense ministers of all the eighteen countries, not just ASEAN, to gather. In addition, it was announced that at a luncheon with the secretary during the conference, all ten of the ASEAN defense ministers accepted his previous proposal (made during the Shangri-La Dialogue) for an informal meeting to be held in Hawaii in 2014. It was also agreed at this time’s ADMM-Plus that the meeting, which had been held once every three years, would now be held once every two years, with the next meeting slated for 2015. The proposal for an informal meeting with the ASEAN defense ministers illustrates the intention of the Obama administration to secure a framework for security dialogue, which constitutes an important platform for the United States in implementing the rebalance to the Asia-Pacific.

(2) Seeking to Control the Competitive Side of Relations with China

The Obama administration continues to aim to build stable, productive, and constructive relations with China, as it grows in economic and military power, because this is necessary for maintaining a stable regional order, which is the objective of the rebalance to the Asia-Pacific. However, the relationship between the two countries is twofold: cooperation with shared interests such as denuclearization of North Korea and halting proliferation, and fighting climate change on one hand, and, on the other, conflict and competition concerning issues such as trade and economy, human rights, Syria, the South China Sea, and lack of transparency in the modernization of the People's Liberation Army. This complex relationship makes it difficult for the United States to draw up a comprehensive strategy for China. Indeed, US perspectives of China appear to be wavering due to a shift in China's attitude. At its start the Obama administration held expectations that China will take positive and active role in addressing global issues. But following the rising sense of caution in the United States stemming from China's conduct in the South China Sea and maritime security, the administration has, since around 2010, been gradually switching over to more realistic policies.

This trend is continuing in 2013, and the United States is increasingly concerned about China's activities particularly in the "global commons," namely, at sea, in outer space, and cyberspace. In his speech at the Shangri-La Dialogue, Hagel clearly stated that the United States is concerned about "the growing threat of cyber intrusions, some of which appear to be tied to the Chinese government and military." US concerns over cyber attacks are growing stronger not only because of their military impact, but also from the perspective of trade and economic impacts such as violation of intellectual property rights.

The concerns of the United States escalated again when the Chinese Ministry of National Defense announced on November 23, 2013, that it established the "East China Sea Air Defense Identification Zone," and that aircraft flying in this area must abide by the procedures set forth by the Ministry. In the event of failure to do so, the announcement also refers to recourse to "defensive emergency measures" by the armed forces. On that same day, Kerry issued a statement that this action "constitutes an attempt to change the status quo in the East China Sea" and after stressing the "freedom of overflight and other internationally lawful uses of sea and airspace," he stated that the United States will not support efforts of any state "to apply its ADIZ procedures to foreign aircraft not intending to enter its

national airspace.” Hagel, as well, issued a statement on the same day, clarifying that this action by China “will not in any way change how the United States conducts military operations in the region,” while also saying that this is “a destabilizing attempt to alter the status quo in the region,” and that the United States is deeply concerned by the act. It was reported that on November 25, the US forces sent a pair of B-52 bombers from Guam to cross into the area without giving the Chinese Ministry of Defense the prior notice it demands. This was a clear expression of the position taken by the Obama administration.

These kinds of elements of conflict and competition exist in the relationship between the United States and China, making it impossible to eliminate the possibility of heightening tensions. It thus becomes crucial to control such tensions and avoid any future discord. From this perspective, the Obama administration is attaching importance to dialogue with China. Obama has announced the stance of aiming to build relations with China based on “practical cooperation and constructively managing our differences.” Hagel has also said that, “the key is for these differences [between the two countries] to be addressed on the basis of a continuous and respectful dialogue,” and clarified the position of valuing smooth communication.

A particularly notable dialogue between the United States and China was President Obama’s bilateral meeting with President Xi Jinping at Sunnylands in California, which was held for two days from June 7, 2013. In this meeting, the two leaders discussed matters such as cyber attacks and issues concerning North Korea, the East China Sea and other issues of maritime security, military-to-military exchange, and response to climate change. On September 6 that same year, a meeting was held between the two presidents for the second time on the sidelines of the G20 summit in Saint Petersburg, Russia.

At both meetings, Xi Jinping stressed that the United States and China should aim to build a “new model of major country relationship” and called for strengthening mutual understanding and mutual trust to avoid confrontation. Ever since Xi Jinping used these words during his visit as vice president to the United States in February 2012, this “new model of major country relationship” has been a phrase often used by Chinese senior government officials and academics. According to their statements, this concept includes the three pillars of (1) avoidance of conflict or confrontation between the two countries, (2) mutual respect on important matters of concern, and (3) pursuit of cooperation by

renouncing a zero-sum-game mindset.

From the perspective of managing the competitive side of relations with China, the Obama administration understands this concept as calling for stronger relations between the two countries in order to avoid conflict, and does not take it to mean that the United States will unconditionally accept what China demands. In his speech at the Asia Society in March, Donilon maintained that contrary to the argument put forward by some historians and theorists, the United States and China are not destined for conflict, and stated that the two countries have endorsed the goal to “build a new model of relations between an existing power and an emerging one.” To achieve this goal, he emphasized the necessity of improving channels of communication and demonstrating “practical cooperation,” and put forth “US-China military-to-military dialogue” as one example of this. At the US-China summit meeting of June, Obama used a different phrase than China, calling it a “new model of relations between the United States and China,” and as an example of concrete progress to advance this concept, he spoke of how important it would be that “we each understand our strategic objectives at the military as well as the political levels.” Rice, speaking at Georgetown University on the direction of US policies toward China, used the phrase “a new model of major power relations” explaining that this means “managing inevitable competition while forging deeper cooperation on issues where our interests converge.”

Other high-level meetings between US and Chinese officials include the visit by Kerry to China, his first since his appointment, where he met with President Xi Jinping, Premier Li Keqiang, State Councilor Yang Jiechi, and Foreign Minister Wang Yi on April 13, 2013. On July 10, the Fifth Round of US-China Strategic and Economic Dialogue (S&ED) opened in Washington, DC for talks over a period of two days co-chaired by Kerry, Deputy Secretary William Burns, and Treasury Secretary Jack Lew from the US side, and from the Chinese side, Vice Premier Wang Yang and State Councilor Yang Jiechi.

Regarding communication channels between the United States and China, the Obama administration is particularly emphasizing military-to-military relations. For three days from April 21, 2013, Army Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, visited China as part of his tour of Asia, and met with Xi Jinping, Gen. Fan Changlong, vice chairman of the Central Military Commission, Gen. Chang Wanquan, minister of national defense, Gen. Fang Fenghui, chief of the general staff, Yang Jiechi, and others. In his meeting with Chang Wanquan, it

was agreed to establish a line to enable communication via video conferencing in the event of emergencies, and to conduct joint counter-piracy exercises in the Gulf of Aden, off the Horn of Africa. In the meeting with Xi Jinping, there was discussion on strengthening the two nations' military-to-military relationships and the importance of cooperation in areas such as counter-piracy and HA/DR.

At the fifth round of the S&ED held in mid-July, it was agreed to (1) build an advance notification mechanism for major military activities, (2) continue discussions on the rules of behavior on military air and maritime operations, and (3) establish a hotline between four special representatives from both countries. The first meeting of the working group for military and civilian cyber problems was also held at this time.

Not only were there visits to China by high-ranking officers of the US armed forces, but there were also a series of visits by high-ranking officers of the Chinese military to the United States. From August 16, 2013, Chang Wanquan visited Washington, DC and met with Rice and Hagel. They exchanged views over the situation of the Korean Peninsula and cyber attack issues. On September 8 of the same year, upon the invitation of Adm. Jonathan Greenert, chief of naval operations, Adm. Wu Shengli, commander in chief of the People's Liberation Army Navy and member of the Central Military Commission, visited a naval base in San Diego. In addition, the Chinese Navy, slated to participate in the 2014 Rim of the Pacific (RIMPAC) exercise, conducted a joint search-and-rescue exercise with the US Navy in the waters off Hawaii from September 9. During that same period, the fourteenth annual Defense Consultative Talks were held in Beijing.



US Army Gen. Martin E. Dempsey, chairman of the Joint Chiefs of Staff, chats with Lt. Gen. Wang Guanzhong, deputy chief of staff of the PLA, during his visit to a Chinese aviation base (April 13, 2013) (DOD photo by D. Myles Cullen)

Military exchanges between the United States and China have been implemented in a relatively stable manner in recent years, especially in view of the fact that exchanges had frequently been cancelled in the past due to Chinese opposition to US arms sales to Taiwan. For the Chinese military to experience not only mutual visits of senior officers but also participation in multilateral exercises could be

beneficial for both countries in cultivating trust and reducing the risk of accidents. Whether such exchanges will lead to concrete agreements and/or accomplishments remains to be seen.

(3) Efforts to Bolster Military Presence in the Asia-Pacific

The sequester went into effect in March 2013, and, as was explained in Section 1, the activities of the DOD were subject to various kinds of impact. The US government is, however, working to prevent these cuts from having a large impact on the measures that have been taken up to now to strengthen US military presence in the Asia-Pacific. Hagel, in speaking about the impact of the sequestration on the rebalance to the Asia-Pacific during his speech at the Shangri-La Dialogue in June 2013, argued that, “it would be unwise and short-sighted ... to conclude that our commitment to the rebalance cannot be sustained” given that even under the most extreme budget scenarios, the US national defense budget represents about 40 percent of global defense expenditures. Hagel then went on to say that the Army’s 25th Infantry Division and Marine Corps’ 1st and 3rd Marine Expeditionary Forces are returning to their home stations in the Asia-Pacific, that the navy and air force are deploying some 60 percent of their forces to this region, and that the United States will continue to implement the rebalance and prioritize its posture, activities and investments in the Asia-Pacific.

Such policy is demonstrated by the strengthening of Marine Corps presence in the Asia-Pacific. For example, the rotational deployment of the Marine Air-Ground Task Force (MAGTF) to Darwin, Australia, which was announced by President Obama during his visit to Australia in November 2011, was implemented in 2012, and again implemented for six months from April 2013 to late September as the Marine Rotational Force-Darwin (MRF-D). During the deployment, the MRF-D participated in Exercise Talisman Saber conducted in Australia from July to August, and also took part in Exercise Koolendong 2013, conducted at the Bradshaw Field Training Area (BFTA), located some 330 kilometers south of Darwin, from late August to September, shortly before their return home. This was an exercise with the participation of some 1,000 Australian Army and US Marine Corps personnel, including the 31st Marine Expeditionary Unit (MEU), which had been deployed to participate in Exercise Talisman Saber.

The final target of the MRF-D is to establish a rotational presence of about 2,500 US Marines by as early as 2016. But for 2014, a larger rotation of around

1,150 personnel, at least four times larger than that of 2013, is scheduled. This will include an aviation support contingent of around 130 personnel and four heavy lift helicopters. With the participation of personnel and equipment equivalent in scale to the scheduled 2014 rotation, Exercise Koolondong 2013 was a “proof of concept” exercise conducted at the BFTA for on-site verification of what kind of training can be conducted at this range, as this will be one of the exercise areas utilized by the rotational Marine presence.

A policy to “provide amphibious lift for US Marines operating out of Australia by establishing a fifth ARG in the Pacific by FY 2018” was announced by Adm. Jonathan Greenert, the chief of naval operations, in August 2013. This was in response to concerns that were even recognized by the DOD itself that there is not enough lift capability to support plans advanced by the DOD for distributed presence and deployment of MAGTFs to the four regions of Okinawa, Guam, Hawaii, and Australia. The plan for rotational deployment of MAGTFs to Australia is thus moving steadily forward toward the goal announced by Obama during his visit to Australia in November 2011, of establishing a rotational presence of 2,500 personnel.

Meanwhile, the Unit Deployment Program (UDP) to Okinawa, which was reinstituted in 2012, was continued in 2013. In December 2012, the Marines from the 2nd Battalion, 3rd Marine Regiment, returned to Hawaii with the conclusion of their six-month UDP deployment to the 4th Marine Regiment in Okinawa. This was the first battalion-sized UDP deployment to the 4th Marine Regiment since it was interrupted in 2003 due to increasing force requirements for the Iraq War. This was followed by UDP deployment at the end of the month of the 1st Battalion, 3rd Marine Regiment, and UDP deployment of the 3rd Battalion, 6th Marine Regiment in Camp Lejeune, North Carolina, in January 2013. This indicates that two battalions were deployed to the 4th Marine Regiment at the same time.

Furthermore, in 2013, the deployment of littoral combat ships (LCS) to Singapore, which had been announced in 2011 by then Secretary of Defense Robert Gates was realized. After the LCS USS *Freedom* arrived at Changi Naval Base in April, it participated in military exchanges and naval exercises with Singapore and other countries of the region, and also participated in CARAT 2013, a series of bilateral exercises conducted between the US Navy and the navies of nine other countries. Prior to its return home, it delivered relief to Tacloban in the Philippines, one of the areas hardest hit by Typhoon Haiyan/

Yolanda in November. On December 23, 2013, the USS *Freedom* returned to its homeport of San Diego following the completion of its ten-month deployment to Singapore. The United States plans to increase the number of LCS operating from Singapore to four by FY 2017.

The policy announced by then Defense Secretary Leon Panetta at the Shangri-La Dialogue in 2012 to strengthen naval presence in the Asia-Pacific was sustained in 2013. However, in order to strengthen presence based on the limited number of ships available, revision to the method of forward deployment by the Navy is also under review. In his FY 2014 posture statement, Adm. Greenert stated that in order to increase naval presence overseas, this presence should not be a “rotational” presence, in which ships and crews have to deploy from the continental United States, but a “non-rotational” presence with continuous forward deployment of ships. He explained that there are two basic ways to do this: (1) have ships homeported overseas with their sailors and family, and (2) forward station ships overseas and man them with crews that rotate out to the ship.

As an example of the first case, Greenert took up the planned move of four destroyers (scheduled to deploy two ships in 2014, and another two in 2015) to Rota, Spain, to participate in the European ballistic missile defense (BMD) mission. He explained those four permanently forward-deployed ships can conduct a BMD mission that would take ten ships deploying from the continental United States, freeing up six destroyers to deploy to other regions such as the Asia-Pacific.

The deployment of the LCS to Singapore was raised as an example of the second way to increase naval presence—through rotation of the crew. In early August, the mid-way point of the 2013 rotational deployment, the entire crew from the commanding officer down, turned the ship over to the crew arriving from San Diego. Normally, a naval ship will be forward deployed for a period of about six months, but this crew swap allowed the USS *Freedom* to deploy to Singapore for ten months. Other than this, platforms scheduled for deployment to the Asia-Pacific, including the Mobile Landing Platform (MLP), Afloat Forward Staging Base (AFSB) and Joint High Speed Vessels (JHSV), are also scheduled for crew rotation to sustain military presence. In this way, the US Navy currently plans to strengthen its presence in the Asia-Pacific by increasing the number of “non-rotational” ships that are either homeported overseas or are forward stationed and manned by rotational crews.

Of course, amid these efforts by the United States to strengthen its presence in



Sailors of the Blue Crew board the littoral combat ship USS Freedom to conduct a turnover with the Gold Crew during its rotational deployment to Singapore (August 2, 2013) (US Navy photo by Mass Communication Specialist 1st Class Jay C. Pugh/Released)

the Asia-Pacific, sequestration was not without impact. For example, of the Red Flag-Alaska series of exercises (hosted by the US Pacific Air Forces) held four times a year at Air Force Bases in Alaska with the participation of the Services of the U.S. military and air forces of the Asia-Pacific nations, the exercise scheduled for April (13-2) was cancelled. The following 13-3 exercise was implemented in August, however, with participation

by more than 60 aircraft and 2,600 personnel from the US Armed Forces, as well as Japan, Australia, New Zealand, and the Republic of Korea.

As was explained in this chapter, despite the implementation of sequestration or the various global challenges it faces, the United States in 2013 went forward with the policies it announced as part of its rebalance to the Asia-Pacific. However, depending on budget restrictions, there could be a change of the strategy for the Asia-Pacific stated in the *Defense Strategic Guidelines* released in January 2012. In that sense, it would be necessary to keep an ongoing, close watch over the policies indicated in the new QDR, the trends within the United States, and budget trends.