

# American

## NEWS & VIEWS

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**State Official Says Asia Rebalance Is Here to Stay**  
02 January 2014

*This blog post by Daniel R. Russel, assistant secretary of state for East Asian and Pacific Affairs, was published on the Huffington Post website on December 31.*

**The Asia Rebalance Is Here to Stay**  
**By Daniel R. Russel**

The security and prosperity of the United States are inextricably linked to the peaceful development of the Asia-Pacific. That's why nearly five years ago President Obama decided to make engagement in this region a strategic priority of the United States. And that's why 2013 has been a year of intense diplomatic engagement in Asia, as we continue to implement that vision.

The United States is committed to expanding the ranks of stable, democratic and prosperous nations in Asia. We can play a vital role in promoting education, security and opportunity with our partners, providing greater freedom for potentially hundreds of millions of people in the Asia-Pacific. By expanding free trade and economic growth with our Pacific partners we can create a shared prosperity that benefits us all.

In fact, our \$555 billion in exports to the region last year supported an estimated 2.8 million jobs right here in America. As Secretary of State John Kerry always says, economic policy and foreign policy are one in the same and that's why, from the start of his tenure, he has made building on President Obama's strategic rebalance in Asia a clear priority.

Secretary Kerry recently returned from visiting Vietnam and the Philippines, concluding his fourth trip to Asia in the past nine months. In his first year in office the Secretary has met with all 10 ASEAN Heads of State as well as their foreign ministers; the top leaders of Australia, China, Japan, Korea and many of the Pacific Island states; co-chaired ministerial meetings with Defense Secretary Hagel, Treasury Secretary Lew and Commerce Secretary Pritzker; joined U.S. Trade Representative Froman in hosting the leaders of the Trans-Pacific Partnership; and participated in regional multilateral meetings.

As Assistant Secretary of State for East Asia and the Pacific, I oversee the bureau responsible for implementing the rebalance and have attended all of these meetings. I can attest that sitting down with John Kerry is never a box-checking exercise – he's determined to get things done and not afraid to swing for the fences.

But there is much more to our engagement than meetings. Teamwork among U.S. government agencies and the private sector was responsible for the speed and effectiveness of America's response to the devastation of

Super-Typhoon Haiyan in the Philippines, which Secretary Kerry saw firsthand last week in Tacloban.

The multi-million dollar program for expanding regional maritime capacities that Secretary Kerry announced in Vietnam this month builds on our extensive efforts to enhance prosperity and security in Southeast Asia.

Our renewable energy, environment and climate change programs address challenges like sustainable development and food security that Secretary Kerry witnessed last week on the Mekong River.

Our new educational exchange and youth initiatives keep us on track with the "youthquake" that will transform demographics in the region and which Secretary Kerry spoke to at the Global Entrepreneurship Summit this fall in Malaysia.

And, as Secretary Kerry hears from so many partners on each of his visits to the region, our role as a security guarantor – combined with our insistence on peaceful resolution of disputes in accordance with international law and norms – keep tensions in the South and the East China Sea from escalating into conflict and ensuring stability and the free flow of commerce.

The United States is using its full complement of political, diplomatic and economic tools to advance our values and interests in this dynamic region. That helps explain why our partnerships with Australia, Japan and the Republic of Korea are in such good shape. That helps explain unprecedented Chinese cooperation on critical issues like North Korea, Iran and climate change. And, judging by the results of his recent visit to Hanoi and Manila, this approach is paying dividends that will benefit both the U.S. and the region through greater economic growth, security cooperation, expanded educational and people-to-people ties, and progress on governance and human rights. With our allies and emerging partners, our engagement is growing every day.

Secretary Kerry is clearly advancing President Obama's strategy of rebalance initiated in early 2009 and developed over his first term. The rebalance continues to be a team effort led by the president, who has hosted a series of important meetings with Asian leaders throughout the year, including his unprecedented summit meeting with President Xi of China at Sunnylands, California. The vice president has likewise visited Singapore, Japan, China and the Republic of Korea in 2013 alone.

Some regional partners may fret when, for example, domestic U.S. politics prevent the president from taking his seat at meetings in Asia, but few serious people doubt America's resolve or the Administration's commitment to engagement in the Asia-Pacific.

Some may question America's staying power, but the leaders of every Asian country I know are hungry for American innovation and entrepreneurship and are watching the U.S. energy revolution with excitement, if not envy. Never has America's presence in the region been more welcome, and seldom — if ever — has it been more important.

The bottom line is this: The United States enters 2014 positioned to capitalize on a year of intense engagement and investment in a region — the Asia-Pacific — that is increasingly critical to our future and to global growth.

### **U.S. Ambassador Praises Mongolia's Road to Its Future** 30 December 2013

*This was originally posted to the Millennium Challenge Corporation's Poverty Reduction Blog on December 30.*

#### **A link to Mongolia's future**

*By Piper Anne Wind Campbell, U.S. ambassador to Mongolia*

At the opening ceremony near the town of Ayrag in Dornogobi province on September 5, the American and Mongolian governments celebrated a major milestone—the successful completion of the Millennium Challenge Corporation's North-South Road Project connecting the cities of Choir and Sainshand.

Building on the success of the MCC project, the Asian Development Bank (ADB) completed a separate road project between Sainshand and Zamyn-Uud on November 20. For the first time in history, these developments allow Mongolians to easily travel across their country on an all-weather paved road, connecting them to their two neighbors, Russia and China.

MCC's North-South Road Project—funded by the U.S. Government and implemented by Millennium Challenge Account-Mongolia (MCA-Mongolia)—constructed 174 kilometers of road to reach key national and regional markets. Two link roads were also built to connect thousands of Mongolians to the main corridor, and the project provided road maintenance equipment to the Ministry of Roads and Transportation for the sustainable upkeep of the newly built road.

I'm proud of this project because it finished on schedule and will ultimately benefit more than 150,000 Mongolians. It is also an example of strong partnership and coordination: MCC and MCA-Mongolia collaborated with the ADB to assess road maintenance needs and received initial designs for the Choir-Sainshand road from the ADB.

In fact, I'm proud of all the good work produced during MCC's five-year, \$285 million compact, which I've seen

unfold firsthand during my 1½ years as the U.S. Ambassador to Mongolia. I've spoken with herders and urban beneficiaries who are receiving land titles for the first time, met students who intend to use their MCC-funded vocational education to find better-paying jobs and toured the newly equipped Cardiac and Stroke Intensive Care and Diagnostic Unit at Shastin Hospital in the capital, Ulaanbaatar.

The completion of the North-South Road Project is particularly impressive given the limited construction timeline. Implementation began halfway through the five-year Mongolia Compact, following a major restructuring. Adding to these challenges, the initial construction contractor experienced financial insolvency at a time when there were only two construction seasons remaining in the compact's terms.

Mongolia's harsh winters mean construction can only occur from April through September, and MCA-Mongolia worked diligently to keep the subcontractors from the initial contractor working to avoid losing a valuable construction season. After rebidding the contract, the two new contractors worked long hours to get work done on time, while adhering to the strict environmental and social standards set by MCC and MCA-Mongolia.

The road is also a remarkable achievement because it reflects high quality standards. Many Mongolians view the road as the best ever built in their country because of its international-standard quality and technical specifications. In its funding, design and construction, the North-South Road Project is an example of what international efforts and cooperation among various donors and contractors can achieve.

In all these ways, the road is more than pavement. It is a corridor to the new opportunities of economic development and growth. And, it will long be a symbol of a Mongolia on the rise and a testament to the power of partnerships to reduce poverty and replace it with prosperity.

#### **Japan-U.S. Satellite to Gather Detailed Weather Data**

By Charlene Porter | Staff Writer | 30 December 2013

Washington — Environmental research and weather forecasting will advance with the February 2014 launch of the Global Precipitation Measurement (GPM) Core Observatory.

NASA and the Japan Aerospace Exploration Agency (JAXA), principal partners in the GPM launch, announced December 26 they plan to send the new instrument into space February 27, 2014. GPM's mission will be to provide more advanced and frequent observations of precipitation worldwide. Greater accuracy in measurement of rain and snowfall will enhance scientific understanding of the

water and energy cycles that influence planetary climate.

"Knowing rain and snow amounts accurately over the whole globe is critical to understanding how weather and climate impact agriculture, fresh water availability and responses to natural disasters," said Michael Freilich, director of NASA's Earth Science Division, in a press release.

Even though the United States and Japan are taking the lead on GPM's launch, the data it returns will be pooled with satellite data being collected by instruments supported by an array of international agencies, including the European Organisation for the Exploitation of Meteorological Satellites, the Centre National D'Études Spatiales of France and the Indian Space Research Organisation.

U.S. scientific agencies participating in the collaborative project include NASA, the National Oceanic and Atmospheric Agency and the Department of Defense.

"We will use data from the GPM mission not only for Earth science research but to improve weather forecasting and respond to meteorological disasters," said Shizuo Yamamoto, executive director of JAXA. "We would also like to aid other countries in the Asian region suffering from flood disasters by providing data for flood alert systems. Our dual-frequency precipitation radar, developed with unique Japanese technologies, plays a central role in the GPM mission."

GPM will build on the data from a previous mission, the Tropical Rainfall Monitoring Mission (TRMM), another NASA-JAXA collaboration launched in 1997. The mission showed the benefit of merging rainfall information from a number of different satellites, according to NASA. The mission also confirmed the merit of different data collection methods, which helped improve tropical storm tracking and estimation of rainfall volume and timing.

Tropical Rainfall had a limited mission to measure moderate to heavy rainfall in the tropics. GPM will be measuring precipitation globally, in the mid-latitudes, the tropics and the poles, with the additional capability to measure light precipitation particles.

GPM will also carry a specialized radar instrument that has never operated in space before and will provide three-dimensional measurements of storm fronts. Other instruments will be set to collect data that will provide further insight into how precipitation processes might be affected by human activities, according to a GPM mission concept statement.

GPM was assembled in the United States at NASA's Goddard Space Center in Greenbelt, Maryland, and shipped to the launch site at Tanegashima Space Center on Japan's Tanegashima Island in November. In mid-

December, engineers and technicians tested each of the craft's systems to ensure that it is ready for launch.

### **Annual Report Recaps Progress in U.S.-China Trade Relationship**

By Bridget Hunter | Staff Writer | 27 December 2013

Washington – The United States remains committed to advancing its trade relationship with China to benefit both nations, the Office of the U.S. Trade Representative (USTR) says.

On December 24 the USTR presented to Congress its 2013 annual report on China's compliance with its World Trade Organization (WTO) obligations. The legally mandated report highlights the status of China's policies and practices in areas such as intellectual property rights, industrial policies, services, agriculture and transparency.

When China joined the World Trade Organization in December 2001, it agreed to implement many specific commitments over time. Since then, trade and investment have expanded dramatically between China and its many trading partners, including the United States.

Despite that remarkable expansion, the overall picture presented by China's WTO membership remains complex, "largely due to the Chinese government's interventionist policies and practices and the large role of state-owned enterprises in China's economy," according to the USTR.

The United States, recognizing the tremendous potential of the U.S.-China trade relationship for both nations, in 2013 continued to urge China to reinvigorate the economic reform that drove its accession to the WTO.

"If China is going to deal successfully with its economic challenges at home, it must reduce the role of the state in planning the economy, reform state-owned enterprises, eliminate preferences for domestic national champions, and remove market access barriers currently confronting foreign goods and services," the report said.

Addressing these challenges is critical to the success of China's enterprises in expanding abroad, the report said, adding that "a healthier and more balanced Chinese economy will lead to increased U.S.-China trade and help drive global economic growth."

#### 2013 DEVELOPMENTS

Throughout the year, the United States focused on outcome-oriented dialogue at all levels of engagement with China, while also taking concrete steps to enforce U.S. rights at the WTO as appropriate in areas where dialogue had not resolved U.S. concerns.

Both nations were able to make significant progress on key trade issues through their bilateral engagement in

2013. Highlights included:

- China committed to negotiate a high-standard bilateral investment treaty that will embrace the principles of openness, nondiscrimination and transparency, and provide national treatment at all phases of investment.
- China committed to cooperate with and seriously consider in 2014 the U.S. views on proposals to amend China's trade secrets law as well as on related legislative and policy issues.
- China pledged to adopt and publish an action plan on trade secret protection and enforcement for 2014, including enforcement actions, improvement of public awareness about trade secret infringement, and requirements for strict compliance with all legal measures for trade secret protection and enforcement.
- China affirmed that its existing patent requirements and procedures ensure initial applications for pharmaceutical inventions filed early in the testing process can be supplemented with data developed later and also extend patent protection to pharmaceutical inventions during examinations and before China's courts.
- The United States and China agreed to intensify their discussions of detailed approaches for fostering sales of legitimate intellectual property-intensive goods and services in China.

Despite that progress, many issues of concern remain, according to the report.

In 2014, the United States plans to continue engaging China on important issues in the areas of investment restrictions, innovation, intellectual property rights, technology localization, industrial policies, state-owned enterprises, government subsidization, excess production capacity, administrative licensing, government procurement, taxation, standards development, express delivery services, financial services, telecommunications services, Internet-related services, legal services, pharmaceuticals, medical devices and transparency.

Regarding agriculture, the two sides have agreed to continue discussions on U.S. beef products, with the shared goal of resuming market access by July 2014. The United States also will continue to seek improvements in China's biotechnology approval system.

#### CONCLUSIONS ABOUT CHINA'S WTO COMPLIANCE EFFORTS

In the report, the USTR outlines the next steps the Obama administration intends to pursue to improve the trade relationship and emphasizes that an important element will be the administration's continued focus on "productive, outcome-oriented dialogue in both bilateral

and multilateral settings, as well as the vigorous use of enforcement mechanisms, where appropriate."

The USTR says that "the United States looks forward to working with China during its upcoming APEC host year in order to produce outcomes on trade and investment issues."

Key goals are ensuring the benefits of China's WTO commitments are fully realized by all WTO members and effectively resolving any trade frictions that arise in the U.S.-China trade relationship.

The full text of the [2013 Report to Congress on China's WTO Compliance](#) (PDF, 1.8MB) is available on the USTR website.

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