

**NOMINATIONS OF THE 112TH
CONGRESS—FIRST SESSION**

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

—————
MARCH 16 THROUGH DECEMBER 8, 2011
—————

Printed for the use of the Committee on Foreign Relations



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COMMITTEE ON FOREIGN RELATIONS
112TH CONGRESS—FIRST SESSION

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NOMINATION

THURSDAY, MAY 26, 2011

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

Hon. Gary Locke, of Washington, to be Ambassador to the People's Republic of China

The committee met, pursuant to notice, at 10:25 a.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Menendez, Cardin, Webb, Lugar, and Risch.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

The CHAIRMAN. The hearing will come to order. We are really delighted today to welcome our Secretary of Commerce, the former Governor of the State of Washington, and a very good friend, Gary Locke, who has been nominated by the President to be our Ambassador to the People's Republic of China.

Welcome, Mr. Secretary. We're happy to have you here, and I'm excited about this appointment.

I'm delighted also to welcome the Secretary's family. I just met Emily, who is 14 years old, who is sitting behind him there; and Dylan, who is 12; and Madeline, who is 6, who told me where she is going to school and that she would be much happier if the hearing were over and her dad could just leave right now. [Laughter.]

And Gary's terrific partner in life and in this effort, Mona. We're really happy to have you all here.

This nomination is a very important nomination. All of our Ambassadors are important, and we have great respect for the service of everybody. But it is without a doubt that the relationship with the People's Republic of China stands as one of the most important relationships for our country today, and much of our cooperation with China will help to shape this century, in terms of conflicts as well as economic opportunities and relationships.

If confirmed by the Senate, which I fully expect, Secretary Locke will join an elite group of distinguished statesmen, from former President George H.W. Bush to Winston Lord and Stapleton Roy and others who have served in this position.

I think it is obvious to all but, nevertheless, worth pointing out yet again that Secretary Locke's story is quintessentially American. It's the American story. A descendent of hardworking immigrants, Secretary Locke's personal integrity, intelligence, and strong work ethic led him from Seattle to college in New Haven, Yale University, and then on to Boston University Law School.

Later, as Governor of Washington, he reached out to China and helped to strengthen the trade ties between his State and China. It's clear that that relationship really is a microcosm of the larger relationships that we need to develop and work on today. He doubled the State's exports at that time to over \$5 billion per year.

At the Department of Commerce, Secretary Locke led the administration's first Cabinet-level trade mission to China, a clean-energy mission. He has also served as the cochair of the U.S.-China Joint Commission on Commerce and Trade.

The President's latest assignment for Secretary Locke may well be his most challenging. The relationship between the United States and China is absolutely vital to get right. We need to avoid falling into the trap of zero-sum competition, and we need to forge a mutually beneficial relationship based on common interests.

I think it's safe to say that the recent visit of the Presidents of China and the United States here in Washington advanced that effort, but there's still a lot of work to be done.

I'm not going to speak at length about the long list of issues that we have to work on, but let me mention, particularly, advancing human rights; ensuring peace and stability across the Taiwan Strait; managing trade disputes; protecting the environment; and, most importantly, cooperating jointly to help lead the world out of conflicts in other areas where our joint leadership can have a huge impact on the course of events.

I want to make just two overarching points. First, with its newfound economic clout, China, in my judgment, needs to do more than simply abide by international norms, although that's important. We are hoping that China will contribute to strengthening the international system that has helped it to prosper.

Beijing, we believe, can step up and can shoulder more of the responsibility that comes with its growing power. We welcome the opportunity to share the exercise of that responsibility, together with other nations that care to step up.

In the area of nonproliferation, for example, we need China not only to enforce U.N. sanctions and abide by Nuclear Suppliers Group guidelines, but we want China to be a full partner in efforts to secure a diplomatic solution to the nuclear weapons threats that are posed by Iran and North Korea. It is our judgment that all of our interests are put at risk by their current illicit efforts, to some degree.

Convincing China that its own interests will be served by taking on more responsibility for strengthening the international system will be one of Secretary Locke's most important tasks as our Ambassador, and, obviously, it won't be easy.

Even though China may have some of the hallmarks of a great power, some of its leaders have remained focused more on meeting their own domestic challenges rather than taking on new international obligations.

This brings me to my second point. Even though China has one of the longest and richest histories on the planet, and even though it has vast global trading networks today, and it is the world's second-largest economy, it still lags behind many states, many nations, in its respect for basic human rights.

In recent months, China's Government has intensified efforts to control access to information, to restrict freedom of speech and assembly, and to interfere in the peaceful practice of religion. This crackdown, in our judgment, and we have been clear about this at all times in our history, represents a violation of universal rights, rights specifically guaranteed under Chinese law. Such violations are ultimately contrary to the best interests, in our judgment, of any government, as we are seeing in the Mideast and elsewhere today.

As Premier Wen Jia-bao himself pointed out last October: "The people's wishes and need for democracy and freedom are irresistible."

Some say that China is not ready for more democracy and freedom, but Premier Wen had his own rejoinder to that. He said, "Freedom of speech is indispensable for any country, a country in the course of development and a country that has become strong." Premier Wen, in our judgment, is absolutely correct about this, but it is clear that some in China see things differently.

Greater tolerance for dissent would, in our judgment, help China produce better results across a range of government and private-sector activities.

Effectively integrating our concern for human rights into every facet of our relationship will be one of the Ambassador's most important and most daunting challenges.

If confirmed, Secretary Locke will be responsible, obviously, for helping to build the kind of candid and cooperative partnership that is essential for both countries.

I've had the pleasure of engaging with Chinese leaders on a number of these issues. I think we have made progress in those discussions. I think there has been an increased level of candor and an increased level of cooperation on a number of different vital issues of concern. And I look forward to Secretary Locke's ability to continue to help develop that relationship. We want a partnership with China.

There are some, even in our country, who often talk about choices that would actually push China into a different relationship. There are some who even want China labeled as something other than a partner or a possible friend. I believe, personally, and I think others here do, that that would not serve our interests and that is not necessary.

But all of these relationships take work. Countries always organize around and react to their needs. That's been true all through history. It's not going to change overnight. The art is to try to meld those needs into a common effort and to try to find ways to cooperate wherever possible in the greater interests and good of the larger global community, even as we meet our own needs at home.

Mr. Secretary, I believe that the President has made a good and wise choice in nominating you. We certainly look forward to your

testimony today and to confirming you. And most importantly, we look forward to working with you in this important task.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Mr. Chairman, I join you in welcoming Secretary Locke and his distinguished family. The post for which he is nominated is one of the most difficult and complex in the entire Federal Government. I appreciate this opportunity to express our views about the priorities of the United States-Chinese relationship and learn about the nominee's vision.

China's global leverage has increased as it has positioned itself as the leading creditor nation with more than 18 percent of the world's current account balance surplus. According to recent data, China is the United States Government's largest foreign creditor, holding approximately 25 percent of the almost \$4.5 trillion we owe to other countries.

Greater thought must be given to how we work with China to establish a more sensible global balance that depends less on Chinese credit.

China remains an extremely important market for United States exports. For example, the American Soybean Association cites China as the largest export market for United States soybeans in 2010, with nearly \$11 billion in sales to China.

But the United States continues to have a severe trade deficit with China; the benefits of the Chinese market have not reached their full potential for American businesses and workers, in part because of impediments to fair competition in China. We continue to hear complaints about inconsistent application of rules, requirements for "indigenous innovation," nontariff barriers to trade, inconsistent market access, and lack of enforcement of intellectual property rights.

Civil society within China continues to face immense challenges in promoting the rule of law and human rights reform.

In addition to economic issues, the next Ambassador to China will also have to focus on a wide array of security problems. These include obtaining greater Chinese cooperation on issues related to North Korea, Iran, Pakistan, Burma, and other nations, as well as maintaining the security of Taiwan.

The Ambassador must confront the Chinese Government on stopping the cyber attacks on the United States Government, American companies, and individual Americans that originate in China.

More broadly, our Government must work for a better understanding of the interaction between China's military and civilian leaders. Earlier this year, during the visit between the Senate leadership and President Hu, his role and relationship to Chinese military leaders were among the points raised by Senators. This topic underscores the need for closer communication between the United States and Chinese defense establishments, which has been frequently endorsed by Secretary Gates.

The Ambassador must have a deep understanding of China's integration strategy for its Southeast Asian neighbors.

China also is dedicating massive financial resources to securing and developing natural resources in many parts of the globe including Latin America and Africa.

Another specific area of concern that has received too little attention is the incongruent reality of our public diplomacy in China. A Foreign Relations Committee minority staff report revealed that while China has more than 70 "Confucius Centers" operating in the United States, only five American Centers exist in China. The United States must press this point of equity for the establishment of American information outposts within China.

Finally, the American Ambassador and our Government must give consistent attention to human rights deficiencies in China. Unfortunately, political and religious freedoms in China continue to deteriorate. This committee needs a firm commitment from the nominee that he will work to advance the rule of law and human rights in China. He must press Chinese leaders regarding the growing campaign of censorship, arbitrary detentions, repression, and disappearances.

I look forward very much to today's hearing to learn more about Secretary Locke and his strategy for approaching the Chinese in ways that will effectively enhance the economic prosperity of Americans and the national security of our country.

I thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar.

Mr. Secretary, your full statement will be placed in the record as if read in full. We look forward to your testimony. Thank you.

**STATEMENT OF HON. GARY LOCKE, OF WASHINGTON, TO BE
AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA**

Secretary LOCKE. Thank you very much, Senator Kerry and Senator Lugar and Senator Webb.

It's a pleasure to be in front of this committee, and I'm very humbled to come before you as President Obama's nominee to be the next United States Ambassador to the People's Republic of China.

It's a sign of the importance of the bilateral relationship between our two great nations that the President has nominated a current member of his Cabinet to serve in this new capacity. I want to thank President Obama for his support and his confidence in me.

I'm proud to be joined today by my family, my beautiful wife, Mona, and our three lovely children, Emily, Dylan, and Madeline. No matter where public service taken us, whether from the other Washington to this Washington, and, if the Senate confirms me, on to Beijing, they, and especially Mona, have been the irreplaceable constants, providing much love and much support.

I also know that if my father, Jimmy, were still alive—he passed away this past January—he would be proud, that if I am confirmed, to see his son become the first Chinese-American U.S. Ambassador to the country of his and my mother's birth.

My father came to United States as a very, very young boy. He joined the United States Army before the outbreak of World War II and was part of the Normandy invasion and some of the fiercest battles in France on their journey to Berlin. And after the war, he

returned to China, where he met and married my mom, and he brought her back to Seattle where they started a family.

China is a nation they would hardly recognize from their childhoods. It's a country filled with ultramodern cities, where hundreds of millions have been lifted out of poverty.

The administration welcomes a strong, prosperous, and successful China, but this new status comes with important responsibilities. This administration seeks to engage China on regional and global affairs to advance international peace and stability in ways consistent with prevailing international norms, rules, and institutions.

As Vice President Biden said recently, how the United States and China cooperate will define, in significant part, how we deal with the challenges the world faces in the 21st century.

If confirmed by the Senate, I pledge to help build the positive, cooperative, and comprehensive relationship that Presidents Obama and Hu have agreed that our two nations should aspire to.

For more than a decade, opening markets in China has been a focus of mine, as Governor of the State of Washington, as an attorney in private practice, and now as Commerce Secretary. If confirmed, helping United States companies do more business in China will be a big part of what I will do every day. Increasing exports to China will help create jobs and economic growth here at home, but it will also improve the quality of life of the Chinese people by providing more access to American-made products and services, the best in the world, and help China's leaders reach their goals of modernization.

At the same time, as Ambassador, I will also work to expand bilateral cooperation on a host of critical international issues, from stopping nuclear proliferation, to rebalancing the global economy, to combating climate change. We've made significant progress on a number of those concerns, even as challenges remain.

And our work together on North Korea and Iran, though we continue to encourage China to do even more, is an important sign that we can cooperate to address sensitive issues in the United States-China relationship.

While there are many areas of collaboration, there are also areas of vigorous disagreement. That includes human rights, where we have very significant concerns about China's actions in recent months, especially the crackdown on journalists, lawyers, bloggers, artists, and religious groups.

The protection and the promotion of liberty and freedom are fundamental tenets of U.S. foreign policy. And if confirmed, I will clearly and firmly advocate for upholding universal rights in China.

And as much as the job of Ambassador is to communicate our position to China's leaders, I also pledge to reach out to the people of China. And my goal will be to directly convey and express the values that America stands for and the desire for ever-closer bonds of friendship between our two peoples.

Let me close by saying that, should I be confirmed, I pledge to work closely with this committee, and I hope to host each of you and your staffs in China. We have an outstanding team of career professionals at the Embassy and at the consulates in China. And if granted the privilege of serving, I will do my best to honor their

work as they pursue and promote American interests and objectives in China. We have much to do.

Chairman Kerry and Senator Lugar, Senator Webb, thank you for this opportunity to address you, and I welcome your questions and your comments.

[The prepared statement of Secretary Locke follows:]

PREPARED STATEMENT OF GARY LOCKE

Chairman Kerry, Ranking Member Lugar, and members of the committee, it is humbling to come before this committee as President Obama's nominee to be the next U.S. Ambassador to the People's Republic of China. It is a sign of the importance of the bilateral relationship between our two great nations that the President has nominated a current member of his Cabinet to serve in this new capacity. I want to thank him and Secretary Clinton for their support and their confidence in me.

I am proud to be joined today by my family. No matter where public service has taken us—from one Washington to the other, and now on to Beijing—my wife, Mona, and our three children, Emily, Dylan, and Madeline, have been the irreplaceable constants, providing love and support.

I also know that if my father Jimmy were still alive, he would have been proud to have seen this day and to reflect on its significance—the first Chinese-American nominated to be the U.S. Ambassador to China, the country of his and my mother's birth.

If confirmed, my family will join me in taking up the charge of representing the promise of America as a land of freedom, equality and opportunity.

Of course, one of the highlights of this endeavor, if confirmed, will be joining a brand new family: U.S. Mission China. I know that the outstanding team of career professionals at our Embassy and consulates will provide the knowledge and advice critical to making this transition a smooth one. If confirmed, I will do my best to honor their service, as they pursue and promote American interests and objectives in China. We have much to do.

Should I be confirmed, I will work to build the positive, cooperative, and comprehensive relationship that President Obama and Chinese President Hu have agreed our two countries should aspire to. In doing so, I will support our ongoing efforts to expand bilateral cooperation on a host of critical international issues, from climate change to stopping the proliferation of nuclear weapons and materials. I will support enhanced exchanges among our two peoples, especially our youth, which is so important to long-term mutual understanding. At the same time, I will be realistic and honest about the many challenges and differences that exist between us, including our serious differences on human rights, and will work toward managing those differences, while remaining true to our values as Americans.

Please allow me to expand on these general comments by examining a few issues in greater detail.

Developing commercial cooperation with China has been a focus of mine for more than a decade. As Washington State's Governor, I presided over the doubling of exports to China. As an attorney in private practice, I helped American companies navigate the Chinese business environment. And as Commerce Secretary, I have traveled to China four times, made it the first stop of the administration's first Cabinet-level trade mission and cochaired two Joint Commission on Commerce and Trade sessions in which we've won important commitments from the Chinese Government.

If confirmed, helping U.S. companies do more business in China will be a big part of what I do every day as Ambassador. It's a win-win proposition. American workers benefit, because the more U.S. firms export, the more they have to produce, and the more they have to produce, the more people they have to hire. That means more jobs here at home. But the people of China also benefit, because the more access they have to American-made products and services—the best in the world—the better the quality of life will be for the Chinese people. China's 12th Five-Year Plan also anticipates the need for a more balanced economic relationship that will require continued increases in U.S. exports and ever-broader collaboration with U.S. companies working with their Chinese counterparts. This is good for the United States and will help China reach its modernization goals.

I firmly believe improved United States-China cooperation is critical to the world community, and if the Senate grants me the privilege of representing the U.S. in China, I will take with me a profound understanding of the promise our relationship holds.

There is so much we can accomplish when we work together. From the search for new, cleaner sources of energy—our companies are working together through the Energy Cooperation Program—to our successful Innovation Dialogue—there are many issues where cooperation is not aspirational but reality. I have been proud to be part of that expanding cooperative relationship during my tenure as Commerce Secretary.

But I am aware of the challenges that exist as well. The Obama administration has made frank and honest conversation an important part of our dialogue with China, and if confirmed, I intend to seek to engage China's leaders in the same manner. As our relationship continues to expand, candor between the leaders of our two countries is necessary to strengthen the bonds of trust.

Action, of course, will also deepen that trust. That's why I will, if confirmed, closely follow Vice Premier Wang Qishan's recent pledge to continue China's campaign to improve intellectual property protection and enforcement, as well as President Hu's January 2011 commitment to de-link innovation policy from procurement preferences. Demonstrating measurable progress on these and other commitments is an important element of building trust in the economic and commercial sphere between our two countries.

We also want to see renewed efforts by China to reform state-owned enterprises (SOEs). We seek to ensure that large SOEs and other national champions are functioning as commercial enterprises within the Chinese economy. I have previously made clear that China's lack of followthrough on transparency and intellectual property rights protection and enforcement commitments made during previous bilateral dialogues has meant that U.S. companies have not seen the benefits of those commitments. Rebalancing our economic relationship will require the type of market opening that the implementation of these commitments will bring. The commercial relationship between our nations stands at a crossroads, a relationship that can no longer be characterized by China making and the United States taking. If confirmed, I will make implementation of existing and future commitments a policy priority in my interactions with the Chinese Government.

Should I be confirmed, it will be one among many priorities, as we work to ensure our shared goals of regional stability and increased prosperity.

To that end, I hope to be an able messenger of the Obama administration's policies for the Asia-Pacific region generally and to the Chinese Government specifically, if confirmed. Working through a whole of government approach, the administration seeks to engage China on regional and global affairs to advance international peace and stability—and in ways consistent with international rules, norms, and institutions. At the same time, the administration will continue to work with allies and partners in Asia to foster a regional environment in which China's rise is a source of prosperity and stability for all its neighbors.

Along these lines, developing the military-to-military relationship will lead to greater strategic trust between the United States and China, and we are working to strengthen our existing military-to-military dialogues. The first meeting of the civilian-military Strategic Security Dialogue that took place at the S&ED earlier this month and the visit of People's Liberation Army Chief of the General Staff Chen Bingde last week were also important steps toward sustained, substantive dialogue to reduce misunderstanding, misperception and miscalculation.

Given the pace of China's military modernization, building mutual trust is necessary to defuse tensions that may arise, but also critically important to living with each other as fellow Asia-Pacific nations. The United States is an Asia-Pacific power, and we have a strong commitment to defending U.S. interests and values in the region.

While the United States and China will inevitably have differences from time to time, it is far from preordained that those differences should lead to conflict. As President Obama has stated, "We need to improve communication between our militaries, which promotes mutual understanding and confidence."

With regard to Taiwan, the United States has welcomed the progress in cross-strait relations achieved over the past 2 years. The United States remains committed to our one China policy based on the three joint communiques and the Taiwan Relations Act. We do not support Taiwan independence. We believe that cross-strait issues should be resolved peacefully in a manner acceptable to people on both sides of the strait. We oppose unilateral actions by either side to alter the status quo across the Taiwan Strait. We urge China to reduce military deployments aimed at Taiwan and to pursue a peaceful resolution to cross-strait issues. If confirmed as Ambassador, I will continue to make these views clear to China's leaders.

China has also been an important diplomatic player on issues concerning North Korea. That has included playing a central role as chair of the six-party talks. China has repeatedly stated that it shares our goal of a denuclearized Korean

Peninsula. If confirmed, I will continue to work closely with China to press the DPRK to cease its provocative behavior, take meaningful steps to denuclearize, and to ensure full implementation of U.N. Security Council Resolutions 1718 and 1874.

China also has played an important role in the diplomatic efforts to address the threat posed by Iran's nuclear program. The United States has been pleased with the unity that China and other P5+1 partners have maintained in our negotiations with Iran, and we continue to jointly insist that Iran comply with its international obligations. The administration worked closely with China to pass U.N. Security Council Resolution 1929 last June, and have called upon China to ensure that this resolution is fully implemented and to take additional steps to restrict any new economic activity with Iran that might provide support to its nuclear program, including in the energy sector. Iran's nuclear program was a key topic of President Obama's talks with President Hu, and we welcomed President Hu's assurance that China is committed to implementing U.N. Security Council Resolution 1929 and other resolutions on Iran fully and faithfully.

The United States ability to work together on issues such as North Korea and Iran is an important sign that we can cooperate to address more sensitive issues in the relationship. That includes human rights issues. The protection and the promotion of liberty and freedom are fundamental tenets of American foreign policy. If confirmed as Ambassador, I will be a forceful advocate for promoting the respect of universal human rights in China. We do so not only because of who we are as Americans. Rather, we do so because greater respect for human rights is also in China's interest. As Secretary Clinton said at the S&ED earlier this month: "[W]e know over the long arch of history that societies that work toward respecting human rights are going to be more prosperous, stable, and successful. That has certainly been proven time and time again, but most particularly in the last months."

So, the administration is troubled—and I am troubled—by the well-documented deterioration of the human rights environment in China. To name just one prominent case, the detention of artist and activist Ai Weiwei raises many issues about China's commitment to building a society based on the rule of law. The United States is also very concerned about the increased repression of Tibetans and Uighurs, continuing restrictions on religious freedom, and increased efforts to control the Internet and constrain civil society. As my predecessors have, I will raise human rights issues and individual cases with Chinese Government officials at the highest levels.

But as much as the job of Ambassador is to communicate the U.S. position to China's leaders, I will also make reaching out directly to the Chinese people a priority. Technology is providing new avenues of communication with ordinary Chinese citizens. My goal will be to express as directly as possible the values that America stands for and the desire for ever-closer bonds of friendship between our two peoples.

I'll close by touching on the nuts and bolts of diplomatic work. I bring a personal history as a problem-solver and an effective manager. As such, if confirmed, I will focus our diplomacy on results. As Secretary of Commerce, I focused on delivering more effective and efficient services to American businesses and workers in a way that reduced costs and simplified the bureaucratic process. If confirmed, I will approach the U.S. mission in China in much the same way, looking for ways to engage in public diplomacy that work best to get our message across to the Chinese Government and out to the Chinese people.

If confirmed, I also plan to aggressively confront a number of the challenges that Mission China faces. I understand that our facilities in Shanghai need to be upgraded to meet the demands that increased visa applications have put on the post there. Reduced ability to process visa applications has a concrete cost to our economy in lost travel and tourism exports. For this reason, I will continue the efforts made throughout our posts in China to improve visa appointment wait times without losing a focus on security. I have worked closely with the State Department's Bureau of Consular Affairs on visa issues as Governor and Commerce Secretary and now look forward to continuing that partnership as Ambassador, should I be confirmed.

I have enjoyed the process of conferring with many of you as the nominee to be the next U.S. Ambassador to China. I hope that I have conveyed to you that I am prepared to undertake this unique opportunity to continue my service to our Nation.

As I seek your support for my nomination, I look forward to having the opportunity to continue to learn from your deep experience and knowledge about the Asia Pacific region, China, and foreign relations generally. If you and your colleagues do vote to confirm me as Ambassador, I pledge to work closely with you and your staffs through regular consultation, and I hope I will have the privilege of hosting each of you and your staffs in China.

Chairman Kerry, Ranking Member Lugar, and members of the committee, thank you for this opportunity to address you. I welcome your questions and comments.

The CHAIRMAN. Thank you very much, Mr. Secretary.

I neglected, in my opening, to point out, but I think it's more appropriate that you do anyway, your status as the first American of Chinese descent. I think that is really an amazing part of the story, and I'm confident it gives you a very special level of credibility and capacity to validate a number of issues. I think we're well-served in that regard.

I would like to ask you—obviously, there are a lot of issues. But I want to get your sense of how we manage the economic component at this point in time. There is a degree of anxiety within the Congress with respect to the currency issues and the trade practices, some of the procurement practices, et cetera. We've had these meetings with the Chinese. We've discussed these things.

Some Americans would suggest that this discussion has been going on for quite a while without the kind of results that impact their perception of the unfairness of the playing field, whether it's intellectual property or other things. The progress seems slow to a lot of folks. I wonder if you would comment on whether that's just the way it is going to be? Does that represent a difference of opinion over it? Does it represent the imbalance of negotiating leverage? What's your take on why it is taking so long to open up a greater level of both transparency and accountability with respect to those issues and accomplishing progress?

Secretary LOCKE. Well, thank you very much. I think we would all agree that progress has been slow, but, in fact, we are making progress. And I think progress has been accelerating in just the last few years.

Obviously, both China and the United States, and the G20 nations, have talked about a rebalancing the world economy, and part of that rebalancing includes American consumers being less in debt. It also means that we, as a country, have to get our fiscal house in order. And the President has very ambitious goals, as evidenced by the budget he has proposed over the next several years that will freeze domestic spending. And there's a lot of discussion now on reducing our debt and our deficit.

But, also, China recognizes that it must export less and must focus more on domestic consumption. And we in the United States must also export more.

So these are opportunities of win-win before us that can actually have United States companies exporting more to China and, certainly, meeting the needs of both the Chinese leaders and the people of China.

There's a great hunger and a great demand for things that are made and produced in America, from services to products to agriculture. And just in the last year alone, United States exports to China, goods rose by 32 percent, whereas, across the United States, exports to other countries grew on average 17 percent. Our exports to China are growing at a faster rate, by roughly 50 percent, than elsewhere to the rest of the world.

And we are seeing movement on the currency. China has recognized it needs to allow its currency to float more freely. We, of course, think that it should float more and faster. But when you

also combine the effect of inflation in China in the last year, we've seen the movement of the currency by roughly 10 percent. Obviously, we still want more.

We have a variety of different fora, whether it's the Strategic and Economic Dialogue, as well as the Joint Commission on Commerce and Trade, where we address these very specific as well as global issues. We have made progress, but we have to make sure that we monitor the progress of China, make sure that they adhere to their commitments, whether it's on intellectual property—the Chinese have a campaign right now that's supervised by the State Council Vice Premier Wang Qishan. That campaign has been extended to really ensure that the Government agencies and state-owned enterprises purchase legitimate software. But we've got to monitor that, and we're demanding and insisting on accountability and audits to make sure that the Chinese follow through.

But, still, it's a very important relationship, and certainly one in which we need to convey to the Chinese that it is in their mutual self-interests to engage in free and fair trade, and to also, as you indicated earlier, not just abide by international norms and institutions, but be a world player and help lead and help solve some of the many issues facing the world.

The CHAIRMAN. Well, let me come to that for a minute. Obviously, everybody understands that the Chinese leadership and people are smart, very analytical, very capable of defining what they see as their interests. I wonder, given the fact that you constantly hear from them the refrain about, notwithstanding their wealth that has been created on one side of the ledger, they still have 450, 500 million people—perhaps twice the size of the United States even, to try to bring into a more urban/industrial standard of living out of agrarian roots. That's the constant challenge.

There's a unique focus, as you're well aware, among Chinese leadership on their internal challenges. We talk about their interests, we want to persuade them to see that their interests are also served by an outward focus. How do you do that, in your judgment? What is it that you think they're missing, conceivably, when they see their interests as being very specifically focused on this internal struggle?

Secretary LOCKE. Well, their interests, and with respect to some of their internal challenges, focus, for instance, on food, feeding a growing population, shortages of food, insufficient energy—in recent days, you've seen reports of limitations or reductions in electricity available for factories and even households—to the health and welfare of their citizens.

And there is a great desire, given the contact with the West, given the ability of the people of China to either visit and see what other developing countries are enjoying, to even seeing American life on television shows, there is a hunger for greater prosperity and a higher standard of living. And the Chinese Government is very concerned about making sure that there is stability within the country.

And these are the areas in which the United States companies and the United States Government can help meet those needs of both the Chinese leaders and the aspirations of the Chinese people that can, for instance, help reduce our trade deficit; help American

companies sell more of their American-made goods and services, including agriculture, to China; and to meet those objectives of the Chinese people and leaders.

Those are just—we need to convince and inform both the leaders of China and the people of China that America stands willing to help, and it can result in a mutually beneficial relationship.

The CHAIRMAN. Well, let me just ask one last question with respect to that, sort of hone in on China's interests.

When we met with President Hu here, I raised, and I think some other people raised, the question with him about their efforts with respect to North Korea. They tell us that they don't want a nuclear North Korea, that North Korea's current activities are contrary to China's interests, and they voted with us, obviously, in the U.N. to impose sanctions. But despite the, sort of, public affirmations of being with us in terms of our goals, the methods they adopt, and even the enforcement, often takes a very different track.

A recent U.N. report faulted China for not adequately enforcing the sanctions against North Korea. We know that the North Korean leader Kim Jong-il is in Beijing, I think right now, as we're here, focusing on the economic ties between the two countries.

How do we get China to exert what we believe is greater leverage with respect to North Korea's behavior, particularly their aggressive behavior toward the South, and some of the dangerous moments that have been created in the last few years as a consequence of that? You would sort of think there was a greater ability. Are we misjudging their capacity, or are they judging their interests differently?

Secretary LOCKE. No, I don't think that we're misjudging their capacity. In fact, China has been a vital partner in the six-party talks, and China has a very unique role, given its influence and its ties with North Korea.

We, obviously, urge China to do more to influence North Korea's behavior. And I think that the recent provocations by North Korea and the reaction by the South is giving China pause and causing China to realize that it has to step up to diffuse the situation, to make sure that no further provocations occur, which could then result in retaliatory actions by South Korea, which would simply destabilize the entire region.

So I think that there's a greater urgency and understanding of how delicate the situation is, and how North Korea must be brought back to the six-party talks, and how, simply, they must abandon their nuclear aims and objectives. I think that China understands that.

The CHAIRMAN. Do you think China can do more?

Secretary LOCKE. China can definitely and must do more.

The CHAIRMAN. Thank you, Mr. Secretary.

Senator Lugar.

Senator LUGAR. Secretary Locke, as I mentioned in my opening statement, I remain concerned, as do many Americans, that while we have welcomed the building of 70 Confucius Centers in the United States, China has authorized only five American Centers to be built on Chinese soil. I want to focus for just a moment to get your views on public diplomacy as it pertains to our relationship with China.

In addition to this problem, recent budget prioritization efforts have rendered it likely that we are to see the Voice of America ending its effort to jam shortwave radio broadcasts but with a refocus on the Internet instead. Additionally, I'm pleased the Broadcasting Board of Governors received an additional \$10 million recently to help circumvent what's known as the Great Firewall.

The administration's efforts to get more American students to China through the 100,000-strong program are certainly laudable but remains very badly underresourced. Meanwhile, China's largest state-run media, Xinhua, opened its new office in Times Square just last week.

These are just fragments of the problem, but nevertheless, how do you perceive American diplomacy being pushed, so that we are able to get an audience with the Chinese people themselves, in addition to the conversations we've been having with the Chinese leadership?

Secretary LOCKE. Well, I think it's very important that we engage with the Chinese people directly. It's not enough just to talk with the Chinese leaders, because the appetite for more freedom and democracy among the Chinese people rests with the people themselves. The more exposure we can give them to American values, freedoms, democracies, the more interaction they have with Americans, whether it's American tourists, American students in China, or even Chinese tourists and Chinese businesspeople coming to the United States, will I think promote those democratic reforms and the appetite for greater liberties and freedom.

Obviously, the State Department would welcome more funding for many of these programs of diplomacy, but I think we also need to be aware of the new methods by which people communicate with each other over the Internet. And so we will continue what Ambassador Huntsman did in terms of blogging and messages over the Internet to the Chinese people.

But I also believe that, as I have experienced as Governor, we want to continue reaching out to the Chinese people using radio and television shows, and their versions of almost like Oprah, which reach hundreds of millions of people, which are repeated over and over and over again.

And so those are the types of mechanisms and media strategies that we would like to deploy.

Clearly, we need to—I believe that there is a growing interest among America's young people to study in China. We need to encourage more exchange programs by American colleges, universities, and just encouraging more semesters and years abroad. And that's how we can also help fulfill the President's goal of having at least 100,000 American students studying in China.

Senator LUGAR. Well, when you become our Ambassador and you have boots on the ground over there, I hope you will stay in touch with our committee and with those of us who are deeply interested in this, because, as you say, there are going to be budget problems. These are problems that Congress must face, as well as our Embassy in Beijing. I'm just hopeful that this will be a major focus of yours, as you've outlined very cogently this morning.

I would also hope that you will be a champion for intellectual property rights. This issue challenges many American companies in

China, as well as American individuals. What new lessons do you believe you've learned in improving the property rights situation during your time as Secretary of Commerce as these issues have come before you in that forum. And how do you think we might make progress, if you are in China?

Secretary LOCKE. I think we certainly need to interact with not just the leaders of China but also businesses of China and especially the young people of China, the students in the colleges and universities there. Because as they begin to innovate, as they begin to engage in cutting-edge research, they also need to understand that, without intellectual property rights protection, their discoveries, their hard-earned work, could be for naught.

I believe that we simply must convey the message that it is in the economic self-interests of the Chinese people and the Chinese Government to have strong intellectual property rights. And without strong IPR, innovation will either occur elsewhere or not at all within China.

And with state-owned enterprises or with government support of R&D, if there's not a strong intellectual property rights regime, those investments could be stolen, could be appropriated by others. And that's not in the self-interests of either Chinese entrepreneurs, Chinese companies, or the Chinese Government.

We're already beginning to see some increase in enforcement and strengthening of intellectual property rights. And we have many exchanges through Commerce Department, Justice Department and even American Bar Association groups traveling to China to help develop a rule of law.

But we must continue to push these issues, as we have in the Strategic and Economic Dialogue, and even in our Joint Commission on Commerce and Trade, cochaired by the Commerce Secretary and our U.S. Trade Representative, Ambassador Kirk.

I can tell you that in this most recent JCCT meeting, the Chinese agreed to extend their campaign on legitimate software among government agencies, national and at the subregional level. We need to hold their feet to the fire. We need to make sure that there are audits that we can all depend on. And, in fact, the Chinese president, Hu Jintao, reiterated that support in his visit to the United States this past January.

It is a very important, high-priority topic for the U.S. Government as a whole. It has been for me as Commerce Secretary and will continue to be a top priority as the Ambassador to China.

Senator LUGAR. Let me just ask one further question, without speculation that is undue, but many believe that inflation in China is picking up steam—at least many Chinese leaders seem to indicate that, in fact, a so-called bubble might form in the Chinese economy. This has many greater dangers than bubbles forming elsewhere, because of the enormity and the credit position we talked about earlier today, in which the Chinese are financing through sovereign funds a good part of our budget, as well as other countries'.

What role, in your view as potential Ambassador to China, do you believe we can play in being helpful in that situation? Because this could be of great consequence to us, to Europe, and to the world, if for some reason the Chinese do have an inflationary bub-

ble and a recession that markedly changes the current trends in international matters.

Secretary LOCKE. I think that, clearly, there—we need to help open up the Chinese market to some of our services, whether it's in insurance, whether it's in pensions and other areas of the financial services market. We also need to help lend our expertise to China as they deal with some of these economic issues.

But I really believe that the key is the rebalancing of the world economy, in which they are not so dependent on exports but also focusing more on domestic consumption.

Of course, if they have a recession, that could have an impact on that type of domestic consumption. But it's something that we're going to have to watch very, very carefully, and we are going to have to encourage even more exchanges and deliberations between our top financial services sector, as well as our financial institutions and our Government officials. Secretary Geithner has a whole host of collaborations and exchanges with his counterparts in China.

Let me just also add that 70 percent of Treasuries are actually held by domestic companies; 70 percent of our Treasuries are held by domestic entities. And of the 30 percent remaining held by other entities, China has about a third of that. And so China's hold on, or ownership of, our securities really is only 8 percent of our total debt, and in no way does China's position in any way influence U.S. foreign policy.

Senator LUGAR. Thank you very much.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Secretary Locke, I would like to congratulate you on your nomination, and I know how great a moment this must be—not only for you—but for your family. We wish you the best in this assignment. I want you to know that I appreciate your having come by my office for the extensive discussions that we were able to have.

I have three questions that I would like to get your thoughts on today. The first is: I held a hearing, in my capacity as the chair of East Asia Subcommittee on this committee regarding the consistency and, lack thereof, in our characterization of governmental systems rather than human rights, per se.

We talk about human rights. "Human rights" is something of an amorphous term when you're looking at relations with different countries. It's important, but for instance you could characterize, even in a country like the United States with a free and open governmental system, someone could allege that a first amendment violation is a human rights violation, or an eighth amendment violation is a violation of someone's human rights. But when you get to countries such as China, what we really have is a fundamental difference in governmental systems that rarely gets discussed when we're in hearings like this. They do not have democratic systems and they don't have elections, as we understand them.

The Freedom House evaluations of freedom of the press rate China at the bottom among the 40 countries in the Asia-Pacific, other than Burma and North Korea, in terms of basic freedoms of the press.

So we are, on the one hand, in an environment where we do want to push our economic interests forward, and we do want to ensure that there aren't misunderstandings in terms of security issues. And we want to work toward a time when those can be resolved for the stability of the region. But we're still talking about two completely different systems of government.

What are your thoughts about the challenges of that, and what the future holds?

Secretary LOCKE. Well, obviously, there are major differences between our histories as countries; our cultures, our values; and, certainly, our governmental systems.

As you note, there's been much criticism of human rights issues and freedom of the press issues in China. Notwithstanding that, I believe that there's a great appetite and a hunger by the Chinese people for information as to what's happening all around the world. And the Chinese people are able to obtain much of that information. And what we must do as a country is to engage with the Chinese people directly and to convey the values that America stands for and our views on various issues.

And while much of the press is controlled by China, there is also a growing movement for greater freedom among the press. I think that it's incumbent upon the Ambassador and other American Government officials who operate in China, whether it's from our Embassy or even visiting Members of the Congress, to take advantage of those different mechanisms of talk shows, radio shows, meeting with students, using the Internet to communicate and to express the values for which we stand.

Senator WEBB. Thank you. My second question relates to the concern that I and many people have regarding the role that the Chinese Government should be playing in assisting in the resolution of challenges—a role that is more at a level of its emerging power around the world. You mentioned some cooperation in the areas of Iran, Burma, and North Korea in your opening remarks. There are other issues where I think we could encourage the Chinese to become more visible and proactive in the international environment as we reach towards solutions.

I've held two hearings on sovereignty issues, different kinds of sovereignty issues, both of which, I believe, we really could benefit from a more overt participation from the Chinese.

The first are the sovereignty issues in the South China Sea—the Spratly Islands, the Senkakus, the Paracels—where the position of China has been that they will only negotiate in a bilateral environment, which makes it impossible to solve those issues, quite frankly.

The other hearing, as I discussed with you when you visited my office, was on the issues of downstream water rights—the Mekong River particularly, but also the Red River that goes into the north of Vietnam. China is one of the few countries in the world that does not recognize riparian water rights downstream. With these hydroelectric dams being built, there are serious potential environmental consequences in the Lower Mekong and also in the northern part of Vietnam.

What can we and you do to encourage the Chinese to participate in finding solutions to these sovereignty issues in other than a bilateral environment?

Secretary LOCKE. I think that we need to impress on China that stability of the Asian region is, obviously, in the interests of not just the other countries but also China; and that, therefore, engagement on these issues is in its self-interest as well, dealing with water, dealing with disputed territorial claims; and that they should be addressed in a peaceful, collaborative way that adheres to international norms and rules.

Senator WEBB. Thank you. The final question I have is with respect to China's continued status as a developing country in terms of per capita income, which allows their Government to receive billions of dollars in multilateral assistance and concessional lending for a lot of their development projects at a time when they're sitting on trillions of dollars of surplus, because of their trade balances. What would your comment be on that?

Secretary LOCKE. Well, I think that there needs to be a more frank recognition that while China is considered a developing country, it is more developed than most other countries, and that various international mechanisms must recognize that.

For instance, that's the position of the United States in the current negotiations over the Doha Round. There are degrees of developing countries, many that are more developed than others, and that not all should be lumped in the same categories. And I think that applies with some of these same issues that you've just raised.

Senator WEBB. Thank you very much.

Senator LUGAR. Senator Webb, Chairman Kerry has asked that the gavel be handed to you, as chairman of the subcommittee, at this juncture, and I'm pleased to yield that gavel to you to continue the hearing.

Senator WEBB. All right, I will continue on. Thank you very much, Senator Lugar.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Mr. Secretary, thank you for your service to our country. It's been exceptional, and I appreciate it very much.

This is an incredibly important position that you have been nominated to, and I have three lines of questioning that I will pursue: one is on Taiwan; one is on Iran; and the other is intellectual property issues.

I cochair the Senate Taiwan Caucus, and I am extremely concerned about the military imbalance in the Taiwan Strait. Successive reports issued by both Taiwanese and U.S. defense authorities clearly outline the direct threat faced by Taiwan as a result of China's unprecedented military buildup. And experts in both our country and in Taiwan have raised concerns that Taiwan is losing the qualitative advantage in defense arms that has served as its primary military deterrent against China. To counter this buildup, the Taiwanese have sought to modernize their fighter fleet, which I believe, in terms of Taiwan's defense and deterrent capacity, is in the U.S. national security interest, as well as is promoted and compelled by the Taiwan Relations Act.

Later today, I'll be sending a letter to the President, along with 44 Members of the United States Senate, requesting that the administration accept Taiwan's letter of request and move quickly to notify Congress of the sale of F-16s.

Could you share with me your view on the question of the military balance in the Taiwan Strait? And do you believe that the United States should proceed with the sale of 66 F-16s to Taiwan?

Secretary LOCKE. Let me first say that the United States remains committed to our one China policy based on the three joint communiqués and the Taiwan Relations Act. We believe that the cross-strait issues must be resolved peacefully, in a manner that is acceptable to the people on both sides of the strait. And the administration will continue to follow the Taiwan Relations Act and make available to Taiwan defense articles and services necessary to enable them to have a sufficient self-defense capability. We also believe that China must reduce its military deployments aimed at Taiwan.

Having said that, no decision has been made with respect to further sales of defensive items to Taiwan. That is under review, and that is being evaluated by both others within the Defense Department and the State Department.

Senator MENENDEZ. I expected that formal answer. Let me go further, since you are going to be the United States Ambassador to China. I understand the one government policy, but you can be devoured if you do not have the ability to defend yourself. Is it going to be very clear, from your position, should you be confirmed, that Taiwan has, within the one China structure, the continuing right to exist and to make its own self-determinative efforts there?

Secretary LOCKE. Well, that is a fundamental part of our one-China policy, that the United States stands with Taiwan to ensure that it can defend itself and that its self-defense capabilities are never eroded.

Senator MENENDEZ. The problem is that Taiwan has been seeking this help since 2006, which precedes this administration. We are going to close down the F-16 line, if we do not make this sale, leaving Taiwan in a position that is indefensible, at the end of the day. And to me, that will only exasperate matters for the one-China policy.

So I do hope that, within the administration, you'll advocate for making sure that balance is retained, which ultimately is in our collective interest. I mean, it is very rare that we get 44 Members, in a bipartisan way, of the U.S. Senate to join together to send a message to the administration.

Second, on Iran, there is a long history of Sino-Iranian relationship and nuclear cooperation. And both parties remain keen on enhancing their political and economic relationships. My concern is that the Chinese continue to share sensitive ballistic missile, chemical, and nuclear weapons technology with Iran.

As a matter of fact, last month, Jane's Defense Weekly reported that the Chinese inaugurated a missile plant in Iran. Given this history, what steps will you take, as Ambassador, to address with the Chinese Government the serious concerns held by the United States, as well as the international community, about its support and engagement with Iran?

Secretary LOCKE. Well, first of all, we note that China has actually played a very important role in diplomatic efforts to address the threat posed by Iran's nuclear program and was instrumental in helping craft the U.N. resolution. But we've also said that we're very concerned that China and Chinese companies not backfill, especially in the energy sector where other companies from around the world are leaving or departing Iran, because we know that, certainly, if other companies from China are engaged in helping develop Iran's energy sector, that will provide income, which can then be used to help develop and further develop Iran's nuclear capability, and that we very much oppose.

So we very much believe that China can and must do more. And, of course, we have, in the United States, passed our own set of sanctions and legislation. And I want to inform you and reiterate that on Tuesday, the State Department announced various proliferation-related sanctions against several companies and individuals from around the world, including three Chinese companies and one Chinese individual.

So we take what China is doing and what Chinese companies are doing very, very seriously. Any proliferation and additional work by Iran on nuclear arms is of paramount importance and of concern to the United States. And we believe that China can and must do more to not only abide by the U.N. resolution but help enforce it, and also to understand the position of the United States, even with respect to our sanctions policies.

Senator MENENDEZ. So you will do that robustly as the Ambassador?

Secretary LOCKE. Very much so, sir.

Senator MENENDEZ. Finally, intellectual property infringement—you have been at the forefront of trying to promote America's opportunities to send its products and services abroad. But I know that you know that the U.S. International Trade Commission just released a 332-page report on IPR infringement and its effect on U.S. competitiveness. That report suggests that the losses to U.S. industry are valued at \$48 billion, resulting in over 2 million lost jobs.

When President Hu visited President Obama in early January, there were high hopes that the special intellectual property rights campaign would yield results, but we haven't seen any dramatic changes in China. One aspect of this issue that hits close to home in New Jersey, is the online journal piracy conditions that have not improved on the ground—we have a company in New Jersey with 50,000 workers in the United States and over 3,000 in my home State, that consistently finds itself with direct IPR violations where Chinese libraries consume the intellectual property rights of its medical and other journals.

Will you vigorously, as our Ambassador, impress and pursue the Chinese to seek enforcement of these intellectual property issues, both in the online context and in the broader context?

Secretary LOCKE. That was one of my top priorities as Commerce Secretary, and, perhaps, once a Commerce Secretary, always a Commerce Secretary. It's certainly a top priority for the United States Government, period. And that includes my work as Ambassador, if I'm confirmed.

Senator MENENDEZ. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Webb, you can continue to chair. I'm here just for a few minutes. I have another meeting to go to, so I apologize. I wanted to come back and tell Secretary Locke I wasn't racing away, but we have competing Finance Committee and a couple other things going on. I apologize.

Senator WEBB [presiding]. All right.

Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

Mr. Secretary, you certainly have a challenging job in front of you. There are lots and lots of different issues, and a lot of them have been aired here, and I'm not going to go over all of them.

But one of the things that is important to me, and I think important to all Senators, and this is particularly true for my service on the Intelligence Committee and on this committee, is that the United States has a policy of trying to contain both Iran and North Korea, and contain their nuclear ambitions.

And, of course, the only way countries like this can pursue their nuclear ambitions is to have very sensitive and highly technical materials that they buy from somewhere. And we all know that the United States is very diligent in containing the products that are produced here from winding up in the hands of either the Iranians or the North Koreans.

Unfortunately, we do find that there are Chinese products that wind up there. And China says the right things. It, publicly, takes the position that they don't support that. And yet, it is Chinese companies that are doing business through the back door, or the black market, or what have you, that do allow certain technological equipment to get in the hands of both North Korea and to Iran.

And so, I want to encourage you, in the strongest terms, to reinforce with the Chinese our concern about that, and how you can't talk about it in one setting and yet turn a blind eye in the other setting, as your companies profit from helping arm these particular countries. So that's as much a statement as it is a question, and I know you've talked about it a little bit, but I'd appreciate, perhaps, if you could enhance your testimony in that regard.

Secretary LOCKE. Well, again, in both North Korea and in Iran, China played a very constructive role in helping pass and formulate the U.N. resolutions—

Senator RISCH. And we appreciate that.

Secretary LOCKE [continuing]. That imposed sanctions on both North Korea and Iran. But it's important, as you indicated, that those obligations be enforced throughout the world.

And that's why, for instance, on Tuesday the State Department announced proliferation-related sanctions against several companies, including Chinese companies and Chinese individuals, in addition to entities from elsewhere around the world.

Stopping proliferation is the utmost priority of the United States Government, and that includes the Ambassador to China. And we need to convey to the Chinese people and to the leaders of China that it's also in their national security interests to avoid proliferation of weapons of mass destruction and the nuclear capability of both North Korea and Iran, and that whatever commercial benefits

some of their companies may obtain by continuing to sell or transfer technology to North Korea or Iran, that the risks and the potential destabilizing order in the world are not outweighed, that peace and security for the entire world outweigh any potential commercial advantages gained by few companies or individuals.

Senator RISCH. And I think that's an important point to make, is that the profits are very modest compared to the harm that can be done internationally and overall, by putting these highly sensitive products that have been developed by a very sophisticated people into the hands of those who want to use it not for good. So I think that's a very important argument, and I appreciate that.

Thank you very much, Mr. Secretary.

Thank you.

Senator WEBB. Thank you, Senator Risch.

Senator Cardin.

Senator CARDIN. Do you—

Senator WEBB. I have a follow-on question. I'm acting now in my capacity as chair of the East Asia Subcommittee. I know you outrank me. If you want the gavel, you got it, but I've still got one more question. [Laughter.]

Senator CARDIN. No, I—

Senator RISCH. Maybe we can have an election over there. You know, I can help. [Laughter.]

Senator CARDIN. Thank you, Mr. Chairman. I appreciate that very much, Chairman Webb.

I want to follow up on a couple points that were raised by my colleagues.

And, Secretary Locke, it's a pleasure to have you here, and I just personally want to thank you for your willingness to allow your name to come forward for this position. Your background and training is what we need representing our Nation in China. And your record in Commerce I think will be very valuable to your role as Ambassador. So I thank you, and I thank your family, for your willingness to continue in this role.

I want to follow up on points raised by several of my colleagues on commerce issues, starting first with intellectual property. I know Senator Menendez just questioned on that.

I just want to underscore the importance to American manufacturing and to American production that we impress upon the Chinese their international responsibilities on enforcement of intellectual property issues. It's in the manufactured products; it's in creative products; it's in so many different areas that China has been a major abuser of allowing products to be manufactured or stolen in their country, violating U.S. intellectual property issues.

I just really wanted to underscore that point. And I heard your response to Senator Menendez, and I just want to encourage you to make this a very high priority.

I want to talk a little bit about China as it relates to, also, the currency manipulation issue. You and I have had a chance to talk about that. But if there is one issue that probably is the most dominant, as far as a level playing field for U.S. manufacturers and producers and farmers, it's having a level playing field on currency. And I would hope that you would make that also a top priority on your portfolio.

China has made some progress recently, only because they felt it was in their direct economic interest to do that. That seems to be the way that they move forward. They don't do it because of respect for a level playing field. And I would hope that our policy would be very clear that they must allow their currency to float, reaching its economic balance and not an arbitrary balance.

Those two, I guess, are my principal economic issues that I would hope that you would take forward and move forward on, and I would be glad to get your response.

Secretary LOCKE. Again, intellectual property rights in China remains very problematic. It's a top priority for the United States Government. It was a top priority for me in all of my discussions with Chinese officials as Commerce Secretary and even before joining the United States Government, even as a lawyer on behalf of U.S. companies helping open markets for U.S. companies in China. It will be a top priority for me as Ambassador to China, if confirmed by the Senate.

And we know that the inability or the lack of China's currency floating and being set by market forces puts American companies at a disadvantage and at an unfair position.

All of our work at the Department of Commerce, which will continue as Ambassador to China, if confirmed, is to ensure that American companies have fair and open access to China. And that includes nontariff barriers. It includes currency. It includes a level playing field. It also includes intellectual property rights, because as the recent report that Senator Menendez indicated, U.S. companies are losing tens of billions of dollars because of violations of intellectual property rights. That's of great concern to us in the United States Government and will continue as Ambassador to China.

Senator CARDIN. One final point and that is that China is becoming a more interesting country, as it relates to our policies in the Middle East. We've seen recent events between Pakistan and China indicating that they're becoming more interested in that region. China, of course, holds one of the permanent seats in the United Nations and, obviously, we have to work with China in that regard.

I would just like to get your assessment as to where we think we can make advancements in China's help as it relates to our policies in Iran or Pakistan or Afghanistan, in the region, as to how China could be a more constructive partner for the United States.

Secretary LOCKE. The United States and China actually have collaborated on a whole host of issues, including countering terrorism. And, of course, that's of great interest and of particular importance in Afghanistan and Pakistan. And so we share interests in stability in that region, and in countering terrorism.

And we, therefore, are encouraging China, given its alliances with, for instance, Pakistan, to do more in the area of countering terrorism. And I believe that because Afghanistan and Pakistan are so close and part of the region bordering China that they have deep interests in ensuring stability in that region as well.

So we need to really partner with them and urge China to do even more in helping promote and using the alliances that they have to promote that stability.

Senator CARDIN. Well, thank you. I know they since you have taken on the position in the Cabinet, you have been living in the State of Maryland. We welcome you in Maryland any time. We hope that you will come back soon, and we're very proud of your nomination.

Secretary LOCKE. We've been very, very pleased to live in Maryland.

Senator CARDIN. Thank you.

Senator WEBB. As a Senator from Virginia——

[Laughter.]

Senator WEBB [continuing]. Let me just say, we have pretty nice neighborhoods in Virginia as well.

Senator CARDIN. He made the right choice.

Secretary LOCKE. Let me just say, it was a tough choice——

[Laughter.]

Secretary LOCKE [continuing]. No, honestly—between the great school systems in Virginia and in Maryland.

Senator WEBB. The thing I learned in politics is, quit while you are ahead. [Laughter.]

Maryland has good places, too.

Let me first just say, as a quick follow-on to something Senator Cardin said. I mentioned in a hearing about a week ago, when we had General Jones, that, in context of what we were discussing a little while ago, and then Senator Cardin raising it with the Afghanistan region, we tend to examine and debate the Afghanistan situation moving laterally out into Afghanistan to Pakistan, and Pakistan to India. But, I believe the movement toward resolution in that part of the world could give China a major opportunity to demonstrate that it can assume some leadership with a country that it has had a special relationship for a long time. And I would hope that you would find a way to encourage that.

I want to ask you a question about the transshipment of arms. This is particularly troubling with respect to China's relationship with North Korea, and some allegations that have been made.

Last week, China blocked the release of a United Nations report by a seven-member panel tasked with monitoring sanctions against North Korea. The report concludes that North Korea has been exporting missiles and technology in violation of U.N. sanctions, with diplomats saying that these shipments were transiting China to Iran.

We have other allegations over the past year or so with respect to Burma, Congo, and Burundi. All of them go back to that fact that at some places in China there were transshipments, usually from North Korea, but not exclusively.

One commentator a couple days ago said: "Many analysts argue that China is committed to upholding its U.N. obligations, but it has a problem of lax export-control enforcement. But while China cannot marshal the resources to prevent the transshipment of North Korean weapons, it can commit 300,000 Internet police to monitor online traffic and stifle free speech."

What is the State Department's policy on this issue, and to what degree do you believe it is a priority issue in terms of our future relations?

Secretary LOCKE. Well, we're very, very concerned about these allegations of transshipment, and we believe that the reports should be released so that there can be greater transparency and scrutiny on what is happening by North Korea.

And getting back to the issue of the region itself, and the special relationships that China has developed with several of these countries, we believe that China should use its influence as a source for stability and security and prosperity for the entire region. And we will be encouraging China to use that special relationship to increase that security and stability of the region.

That also applies to North Korea. We're very, very deeply concerned about transshipment of weapons systems material from North Korea to other parts of the world.

Senator WEBB. Thank you. Could you provide us with the State Department policy on this issue of the transshipment? We've had some difficulty getting a clear statement from the State Department on transshipment, per se.

Secretary LOCKE. I will try to do that, sir.

[The written information from Secretary Locke follows:]

Stopping the transshipment of North Korean weapons is a high-priority issue. The United States has strongly urged all member states, including China, to implement U.N. Security Council Resolutions (UNSCRs), 1718 and 1874 in a full and transparent manner. We have regularly communicated our concerns to the Chinese Government that North Korea may seek to use Chinese airports or seaports to transship items and technology that are banned for transfer to other states under UNSCRs 1718 and 1874 and reminded China that UNSCR 1874 calls upon States to inspect all cargo to and from North Korea in their territory, including seaports and airports, where there are reasonable grounds to believe that the cargo contains items that are banned for sale or transfer under the resolutions.

We have ample ground for concern that these sorts of transactions have occurred. For example, the May 2010 report of Panel of Experts set up to advise the UNSCR 1718 (North Korea) Sanctions Committee stated that a shipment of T-54/T-55 tank parts and other military goods bound for the Republic of Congo and seized by South African authorities was transshipped via the port of Dalian in China.

The United States has urged China to be more vigilant in its enforcement of both UNSCR 1718 and UNSCR 1874, as well as its own national export control laws, including through greater scrutiny of North Korean cargoes transshipping via Chinese ports. We continue to urge China to inspect North Korean cargoes and, if items prohibited under these UNSCRs are found, to seize and dispose of those items as required by UNSCR 1874. We routinely raise these concerns in our regular dialogues with China, and we have also offered to provide technical assistance to Chinese authorities to improve customs and other export control enforcement activities.

Most recently, during the Dubai Transshipment Conference, Acting Assistant Secretary of State Vann Van Diepen announced a series of 10 best practices that we would urge all states, including China, to adopt in order to better regulate the transshipment of sensitive items. As China is a key transshipment hub, we will continue to encourage China to adopt these measures and to increase its vigilance against North Korea proliferation activities.

Senator WEBB. Thank you. And with respect to your comment, and my follow-on to Senator Cardin on Pakistan, I again reiterate that I think this is a major opportunity for United States-China relations. If the Chinese were able to step in, given their history with Pakistan, to assist in a solution in that part of the world that they're going to benefit from it, quite frankly, with the increased stability in the region and their economic interests. It would be a great signal to be able to send in terms of cooperation between our two countries.

Senator Risch, did you have a follow-on question?

Senator RISCH. Thank you very much.

Senator WEBB. I am instructed by Chairman Kerry to indicate that the hearing record will remain open for 48 hours for any Senator who wishes to make a further statement or ask questions for the record.

Other than that, I, again, would congratulate you on your nomination, and I know what a special thing this must be for your family and also for those who went before you. It was very touching to hear about your father during your testimony this morning. And I wish you the best of luck.

And the hearing is now closed.

Secretary LOCKE. Thank you very much, Senator.

[Whereupon, at 11:39 a.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF GARY LOCKE TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

Question. North Korea.—North Korea's development of nuclear weapons and long-range ballistic missiles represents a critical test of our ability to work together on matters critical to the security of both nations.

- Over the past 2 years, what specifically has China done to help restrain North Korea and maintain stability on the Korean Peninsula?

Answer. China is an important partner in regional diplomacy and in maintaining regional stability. Given its unique history and relationship with North Korea, China is well positioned to use its influence with North Korea. The administration has discussed with China on a regular basis the steps it can and should take to reduce provocations by North Korea. In June 2009, China's vote was critical for the adoption of U.N. Security Council Resolution 1874, which imposed additional sanctions on North Korea. The United States has called on all members of the U.N. Security Council and all U.N. Member States, including China, to fully and transparently implement U.N. sanctions and to urge North Korea to refrain from further provocations.

We have been disappointed by China's insufficient reaction to provocative and irresponsible North Korea behavior in the past, but welcomed the progress made on North Korea during the January 2011 summit between President Obama and Chinese President Hu Jintao. During the summit President Obama told President Hu that North Korea's nuclear and ballistic missile program is increasingly a direct threat to the security of the United States and our allies and expressed appreciation of China's role in reducing tensions on the Korean Peninsula. Furthermore, in the Joint Statement issued by both countries during President Hu's visit to Washington in January 2011, the United States and China "expressed concern regarding the DPRK's claimed uranium enrichment program," "opposed all activities inconsistent with the 2005 Joint Statement and relevant international obligations and commitments," and "called for the necessary steps that would allow for the early resumption of the six-party talks process to address this and other relevant issues." We welcome these statements and continue to look to China to take similar and additional positive steps to help maintain stability and prevent provocative actions by North Korea.

Question. If confirmed, how would you seek to convince China that its own desire for stability on its borders requires it to do more to rein in its unruly neighbor?

Answer. The United States and China share common goals of peace and stability on the Korean Peninsula and its denuclearization. We have continually discussed with China how it can and should best use its influence with the North, including during President Hu's January 2011 state visit and the recently concluded Strategic and Economic Dialogue. During President Hu's state visit, the United States and China emphasized the importance of achieving an improvement in North-South relations and agreed that sincere, constructive inter-Korean dialogue is an essential step. The United States and China also expressed concern regarding North Korea's claimed uranium enrichment program. Both sides oppose all activities that are inconsistent with the 2005 Joint Statement and relevant international obligations and commitments. We will continue to make North Korea one of the top items on the United States-China agenda and to press China to work toward advancing our shared goal of a denuclearized Korean Peninsula.

Question. Does China's growing economic support for North Korea undercut U.N. sanctions designed to put pressure on the government of Kim Jong-il? What is the rationale behind China's investment?

Answer. U.S. officials have repeatedly discussed with Chinese counterparts the importance of full and transparent implementation of U.N. Security Council resolutions related to North Korea. Despite a common concern with North Korean nuclear activities, China continues to give North Korea a significant role in its regional strategic security calculus. As such, ensuring North Korea does not collapse and maintaining regional stability appear to remain top priorities for Beijing, and China's ongoing economic aid and investment support those goals. I cannot speak on behalf of China, but Chinese officials have stated that they believe North Korea's economic development is a key step toward stabilizing the region.

Question. Role in Afghanistan.—China is playing an active role in Central Asia through the Shanghai Cooperation Organization, expanding trade and security ties with nations that used to be under the shadow of the former Soviet Union. Next door in Afghanistan, China has focused on the narrow objective of extracting raw materials and minerals, despite the concerted efforts of Special Envoy Holbrooke and others to convince the Beijing Government to do more to promote peace and sustainable development.

- If confirmed, what steps would you take to encourage China to invest not only in Afghanistan's resources, but also the country's long-suffering people?

Answer. The administration believes that there is a role for China to play in helping the international community deal with the challenge of peace and stability in Afghanistan and in addressing the economic challenges that country faces. We have already discussed with the Chinese the importance of generating local employment in Afghanistan that creates self-sustaining economic development to replace aid with trade. If confirmed, I will work closely with the Secretary's Representative for Afghanistan and Pakistan to promote effective United States-Chinese cooperation in the region.

Question. Human Rights.—I am troubled by China's recent crackdown against dissidents, lawyers, artists, bloggers, and democracy advocates—seemingly anyone who dares to criticize the government or question the Communist Party's supremacy. Some dissidents have simply disappeared after being taken into custody by plainclothes security personnel. China's security services tightly control access to information and the use of the Internet, including new social media. China's leaders seem determined to preempt any move toward a "Jasmine" democracy movement. At the Strategic and Economic Dialogue (S&ED) and the U.S.-China Human Rights Dialogue last month, the United States made it clear that China is "backsliding" on human rights.

- If confirmed, will you make human rights a clear high-level priority with China? What steps will you take to integrate this issue into other aspects of this vast relationship such as economics, the environment, and consumer product safety, to name just a few areas?

Answer. Promoting human rights—including freedom of religion, speech, and assembly—is a central objective of U.S. diplomatic engagement with China. If confirmed, I will make it a top priority to continue to urge China to uphold its internationally recognized obligations to respect universal human rights, including the freedoms of expression, association, assembly, and movement.

The U.S. Government believes that by adhering more closely to international human rights standards, creating greater access to justice, and strengthening rule of law, the Chinese Government would help create the conditions necessary for greater long-term social stability. To emphasize that message, the administration has incorporated human rights into discussions with Chinese officials on a range of issues, including economic and environmental issues. If confirmed, I will ensure that U.S. human rights concerns are raised regularly, broadly, and at all levels.

Question. What impact do you think the Arab Spring might be having in China? What is your assessment of the risk of major social unrest?

Answer. The Arab Spring demonstrates to the world the universal desire for freedom and opportunity. The United States continues to stress to our Chinese counterparts that by adhering more closely to international human rights standards, creating greater access to justice, and strengthening rule of law, the Chinese Government would help create the conditions necessary for greater long-term social stability.

Our message is simple: A nation must respect its citizens' fundamental rights, just as prosperous modern economies require rule of law, open information flows,

and a vibrant civil society. Expansion of civil and political rights would ultimately be a source of stability in Chinese society.

Question. What should the United States do to support greater Internet freedom in China? Do you support U.S. Government investments in circumvention technologies? What about broadcasting?

Answer. The U.S. Government remains deeply concerned by China's efforts to censor the Internet. Last month's announcement that a new "State Internet Information Office" has been established to direct, coordinate, and supervise online content management, as well as to investigate and punish illegal Websites, runs counter to our view that Internet freedom is an extension of the freedoms of speech, assembly, and expression.

Governments that use security as a pretext for clamping down on free expression are making a mistake. In the long run, they are limiting their political and economic development. Censorship is ultimately unsustainable.

The U.S. Government strongly supports increased freedom of expression in China, including on the Internet. As part of our ongoing dialogue with China, we have emphasized to the Chinese Government our view on the importance of an open Internet. The ability to operate with confidence in cyberspace is critical in a modern society and modern economy.

The administration speaks out clearly and presses China to cease its censorship of its people. U.S. officials regularly urge China to respect internationally recognized fundamental freedoms, including freedom of expression, and the human rights of all Chinese citizens. The Internet should be available to all, and the administration will continue to push China to expand opportunities for its citizens to connect online domestically and globally.

The State Department supports a number of organizations committed to Internet freedom. Enabling access for citizens in closed societies is a priority for the Department.

Question. How will you approach individual cases of political dissidents such as Nobel Laureate Liu Xiaobo, respected human rights lawyer, Gao Zhisheng, and artist, Ai Weiwei? What are your views on the case of U.S. geologist, Xue Feng, who as you know, has been imprisoned under China's expansive "state secrets" law?

Answer. The U.S. Government is deeply concerned by the trend of extralegal detentions, arrests, and convictions of lawyers, activists, and other individuals for exercising their internationally recognized human rights. The President and Secretary Clinton have specifically called for the release of Liu Xiaobo; U.S. officials have also urged the release of other political prisoners in China, including those under house arrest and those enduring enforced disappearances, such as Gao Zhisheng. Regarding Ai Weiwei, the United States continues to be deeply concerned by his detention, which is inconsistent with China's commitments to respect the fundamental freedoms and human rights of all Chinese citizens.

If confirmed, I will continue to press for the individual release of Liu Xiaobo, Gao Zhisheng, Ai Weiwei, and other individual prisoner cases of concern. I will also engage with the Chinese people directly to convey the human rights values for which America stands.

The U.S. Government has been closely involved in Dr. Xue's case since he was detained more than 3 years ago. The Embassy has conducted 40 consular visits to Dr. Xue to monitor his welfare and deliver messages from his family, with the most recent visit on May 19, 2011. If confirmed, the Embassy under my leadership will continue to visit Dr. Xue regularly and press China to release him on humanitarian grounds and immediately return him to the United States.

Question. Tibet.—A visit to Tibet by staff of the Senate Committee on Foreign Relations last year found a mixed picture: Economic development has improved the lives of many Tibetans. But they are also often discriminated against in employment and economic opportunities. Moreover, economic development is occurring against a backdrop of political repression, with intrusive Chinese controls on freedom of speech, freedom of association, and freedom of religion. China resists any effort by the United States to take an interest in Tibetan affairs. But it seems to me that it must be possible for us to find a way to work together on this issue as we do on other sensitive matters.

- How can we work with China to ensure that the Tibetan people can enjoy the benefits of economic development while protecting their fragile environment and preserving their rich culture?

Answer. The administration has not shied away from seeking opportunities to raise candidly with China's leaders our concerns about the poor human rights situa-

tion in Tibet, while at the same time recognizing there are benefits of economic development in Tibetan areas. If confirmed, I will continue to support further dialogue between China and the representatives of the Dalai Lama to resolve concerns and differences, including the preservation of the religious, linguistic, and cultural identity of the Tibetan people.

RESPONSES OF GARY LOCKE TO QUESTIONS SUBMITTED BY
SENATOR RICHARD G. LUGAR

ADDRESSING POTENTIAL CONFLICTS OF INTEREST

Question. Prior to your service as Secretary of Commerce, you led the China practice of a major U.S. law firm. What steps do you intend to take to avoid any appearance of favoritism or conflict of interest with respect to former clients of yours if confirmed as Ambassador to China?

Answer. If confirmed as U.S. Ambassador to China, I will strictly adhere to all ethics requirements and regulations. In all that I do, I will also behave in way that this committee, the White House, and the American people expect that I should.

With regard to my former employer and clients before government service, I resigned from Davis Wright Tremaine LLP in March 2009 when I was confirmed by the U.S. Senate to serve as Secretary of Commerce. I severed all connections with the firm, financial and otherwise, upon my appointment.

As Secretary of Commerce, I complied not only with the 1-year regulatory recusal period but also with the 2-year recusal period of the President's ethics pledge during which I was prohibited from participating in certain particular matters related to my former employers or former clients. If confirmed as U.S. Ambassador to China, on an ongoing basis I will continue to recuse myself from any particular matters involving the firm or a former client if I believe that to act otherwise would give rise to an appearance of partiality or impropriety in the eyes of a reasonable person.

TRADE AND COMMERCE

Question. As Secretary of Commerce, what is the process by which you have evaluated the effectiveness of the International Trade Administration related to the promotion of U.S. exports?

Answer. The Department of Commerce, particularly the International Trade Administration (ITA), has been leading implementation of President Obama's National Export Initiative (NEI). Expanding U.S. exports is important to our Nation's economic recovery and long-term economic growth.

Exports contributed greatly to growing our economy in 2010, and supported over 9 million U.S. jobs. U.S. exports of goods and services in 2010 increased nearly 17 percent over 2009—the largest year-to-year percentage change in over 20 years. This puts us on pace to achieve President Obama's goal of doubling exports by the end of 2014.

ITA supports the NEI by directly working with U.S. companies to expand their exports overseas, address trade barriers, and ensure a level playing field for U.S. exporters through trade enforcement and compliance. As Chair of the Trade Promotion Coordinating Committee, I have also worked to strengthen interagency cooperation between the multiple federal agencies engaged in trade promotion. I am pleased to report that the National Export Strategy, which will be delivered to Congress shortly, will include for the first time cross-cutting NEI metrics to better evaluate the Federal Government's efforts as a whole to expand U.S. exports.

The reality is that only 1 percent of U.S. companies are currently exporting and, of that 1 percent, 58 percent are exporting to one overseas market only. As Secretary of Commerce, I directed ITA to focus their efforts on helping this 58 percent—typically small- and medium-sized companies—export to additional countries.

ITA's effectiveness is measured by the Government Performance Results Act, which includes the priority goal of increasing the number of small- and medium-sized enterprises (SMEs) that ITA assists in exporting to a second or additional country by 40 percent from 2009 to 2011. In addition to these measures, I receive quarterly updates on the effectiveness of our core trade promotion programs—trade missions, the International Buyer Program, and advocacy.

Followup Question. How did you evaluate how effectively ITA promoted U.S. exports?

Followup Answer. Working with ITA, I set annual goals and received quarterly updates on the effectiveness of our core trade promotion programs—trade missions (including the number of participants and value of exports), the International Buyer

Program (including the number of foreign buyers recruited to the United States and the number of U.S. companies participating in matchmaking activities with foreign buyers and value of U.S. exports facilitated), and advocacy (focused on the value of U.S. export content facilitated through government-led advocacy on behalf of U.S. companies competing for foreign procurements). Results from these evaluations are discussed in my original response to your third question for the record.

In addition, to promote U.S. exports to China, it was the first country on my May 2010 clean energy trade mission, the first cabinet-level trade mission of the Administration. On a trade mission, I act as a force multiplier for ITA's efficacy as an export promotion agency.

Question. According to the evaluation process, what are the strong points of present U.S. trade promotion efforts through the Commerce Department and what are areas where additional attention should be focused?

Answer. ITA continues to deliver high-value export promotion services and counseling to U.S. businesses, allowing them to take advantage of the 95 percent of consumers located outside the United States. Businesses often report that ITA's global footprint is important to ITA's effectiveness in ensuring access to overseas markets and proximity to local U.S. companies. ITA is located in 108 offices in the United States and over 125 offices in over 75 countries.

During calendar year 2010, ITA helped over 5,500 U.S. companies export for the first time or expand their exports overseas, 85 percent of which were SMEs. ITA's Advocacy Center, which helps level the playing field for U.S. companies competing for foreign government procurement contracts, was particularly successful. In 2010, the Advocacy Center helped U.S. companies export \$18.7 billion of U.S. content overseas, a 212-percent increase over 2009. ITA's International Buyer Program also performed well, recruiting nearly 13,000 foreign buyers to attend trade shows in the United States, a 43-percent increase over 2009 resulting in sales by U.S. companies of \$818 million. This program is particularly important for small- and medium-sized companies who are export-capable, but do not have the resources to travel overseas to connect with foreign buyers.

While our trade missions team had a strong year recruiting over 400 companies to participate in 35 trade missions, the value of export successes achieved fell short of our goal. To address this issue, I have asked the team to increase the followup they do with participating U.S. companies to better understand and evaluate our services.

To maximize limited resources to assist U.S. companies to expand their exports and create jobs here at home, the Department of Commerce is focusing on leveraging technology and expanding partnerships. Export.gov is the Federal Government's Website to provide U.S. companies access to all export information from market research and export financing to addressing issues of intellectual property rights protection and understanding foreign regulations. While I am proud of some initial steps we have taken to ensure that information is more accessible and user-friendly, additional focus on strengthening and customizing content will help the Department of Commerce deliver relevant information to U.S. companies seeking to export. Similarly, additional attention to expanding and strengthening our partnerships with state and local governments, trade associations, and the private sector will help ensure that more U.S. companies can compete and win in the global marketplace.

Question. What specific steps will be included in your efforts to double U.S. exports to China as part of President Obama's initiative? What is the base line export figure (and date of its issuance), used by the Department of Commerce which must be doubled to meet the President's initiative as relates to China?

Answer. We are actively engaged in helping U.S. exporters to China through advocacy, commercial diplomacy, policy discussions, and trade promotion. We participate with China in the Strategic & Economic Dialogue (S&ED) and Cochair the Joint Commission on Commerce and Trade (JCCT). Our policy efforts aim to open China's market to U.S. exports and reduce the incidence of intellectual property rights infringement. In the United States, we work closely with State and local partners and support trade missions hosted by the Department of Commerce's commercial section in the U.S. Embassy in China. In China we also recruit delegations of buyers to attend major trade shows held in the United States. We also work with other Department of Commerce units, such as the Patent and Trademark Office (PTO), which are collocated in the commercial section.

Ensuring that U.S. companies and workers have the opportunity to compete on a level playing field is critical to advancing business competitiveness in the United States and abroad, and is a key component of the NEI. The goal of the NEI is to

double the annual value of U.S. exports of goods and services from the baseline level of \$1.57 trillion in calendar year 2009 to \$3.14 trillion in calendar year 2014. The baseline number comes from the Bureau of Economic Analysis' estimate of Trade in Goods and Services available at: <http://bea.gov/international/index.htm#trade>. In 2010, exports to China rose nearly 32 percent, almost double the rate of increase for the rest of the world. As a result of last year's strong performance by U.S. exporters, we are on track to meet the goal of doubling exports.

Accordingly, a key focus of our efforts in the Department of Commerce is strong enforcement of our unfair trade laws. Foreign government subsidies can also have a debilitating effect on U.S. exporters' competitiveness abroad. ITA's subsidies enforcement activities help prevent or remedy the harm that foreign government subsidies cause to U.S. businesses and workers. The Department of Commerce also regularly advocates on behalf of U.S. exporters that are subject to foreign trade remedy (antidumping, countervailing duty, or safeguard) actions, in part by ensuring that the nations that pursue these actions do so in accordance with their WTO commitments.

Question. As Commerce Secretary, you are most familiar with intellectual property right challenges for U.S. companies in China. What specific lessons have you learned which will assist in improving the IPR situation with China?

Answer. During my tenure at the Department of Commerce, I believe that our progress on IPR issues has come from persistence and consistent pressure. On key issues, such as software legalization, we have made progress by consistently raising the issue at every opportunity, including this year's S&ED, President Hu's state visit, and at the JCCT. Apart from these high-level bilateral engagements, we maintain consistent pressure through the work of the International Trade Administration and U.S. Patent and Trademark Office. ITA maintains a Website that provides live and archived webinars on important Chinese IPR issues affecting U.S. businesses and a China specific toolkit. PTO has two IPR attachés stationed in China, with a third on their way. Additionally, the JCCT IPR Working Group, cochaired by PTO, regularly discusses IPR challenges with the Chinese Government.

Question. What progress in China, if any have you observed in the areas of data protection and counterfeiting?

Answer. The Department of Commerce has been actively engaged in addressing counterfeit medicines and pharmaceutical data protection with the China State Food and Drug Administration (SFDA) and other ministries under the U.S.-China JCCT.

The United States continues to advocate for effective pharmaceutical data protection in bilateral discussions with China under the JCCT. Over the past few years, China has increased its engagement in these discussions. In September 2009, the Department of Commerce and SFDA organized a workshop on pharmaceutical data protection to exchange views and information on how China and several other trading partners, including the EU, Japan, and the United States, protect pharmaceutical data against unfair commercial use. SFDA recently commissioned a study and is expected to amend Chinese data protection regulations in the coming years. As part of its JCCT commitments, China agreed to hold further discussions on pharmaceutical data protection in 2011. The Department of Commerce is working with other agencies and industry to advance progress on improving the data protection system in China.

Although much remains to be done, China has made some progress in addressing the production, distribution, and export of counterfeit medicines. In 2009, China set up the Interagency Coordination Conference for Fighting the Production and Sale of Counterfeit Drugs (ICC) comprised of 13 Chinese ministries. Surveillance of counterfeit pharmaceutical ingredients sold on the Internet and advertised at trade shows has been elevated. In 2009, SFDA and the Public Safety Bureau reported concluding over 20 major counterfeiting cases with seized goods valued at over 250,000 RMB (US\$38,600) and 231 suspects apprehended. China has increased penalties and punishment for counterfeiting and begun exposing persons or organizations involved in counterfeit medicines activities in the media. SFDA has also set up a Counterfeit Medicines Complaint Center, which is expected to be fully operational this summer. In addition, China has increased its technical capacity for detecting counterfeits, such as investing in mobile drug detection laboratories.

Question. How are China's restrictions on the Internet affecting the operation of U.S. business related to China?

Answer. U.S. companies have reported to the Department of Commerce a number of restrictions on the Internet that affect their business operations in China, including Website blocking and mandatory installation of Internet filtering software.

A number of U.S. companies have reported that their Websites are inaccessible to Web users from within China, and they are frustrated by the loss of potential online business. Google, for instance, reported experiencing technical blocking of access to an entire Website service (e.g., search engine, online store). In July 2010, Google announced that the Beijing Government had renewed its license to operate a Website in mainland China, allowing them to offer products that do not require any censorship. Under the new arrangement, Google users on the Chinese mainland must deliberately click on a link to the Hong Kong search engine in order to access the uncensored Hong Kong domain. The U.S. Government will continue its efforts to engage the Chinese Government to allow U.S. companies to compete effectively in China's growing online service market.

In June 2009, the U.S. information technology industry raised concerns regarding the Ministry of Industry and Information Technology's Circular 226, mandating all computers sold in China be preinstalled with Green Dam Internet filtering software as of July 1. Industry reported on the software's numerous technical problems as well as the adverse competitive impact of the technology mandate. Mandating the software risked the loss of billions of dollars of immediate and future revenue to U.S. computer manufacturers, because the technically flawed Green Dam software would have led to computer crashes, including screen blackouts, and sullied the reputation of major U.S. brands. After a 3-week period of escalating high-level U.S. Government engagement with China, MIT indefinitely postponed the implementation of Circular 226.

Question. The Economic Espionage Act of 1996 was established to protect trade secrets including proprietary information of U.S. companies. Based upon your tenure as Commerce Secretary would you recommend changes to the original legislation to enhance its intended effectiveness?

Answer. As Commerce Secretary I am committed to protecting the U.S. economic sector, including U.S. businesses working in China, and to ensuring that the United States has implemented the strongest possible safeguards to prevent economic espionage. If confirmed, I will work diligently with my staff at the Embassy to ensure that everything possible is being done in this important area. It is most important that we use all the tools at our disposal to prevent economic espionage, including those set forth in the Economic Espionage Act. I defer to the Department of Justice, which can conduct prosecutions under the act, as to whether or not the act could be changed to enhance its intended effectiveness.

Question. What are the primary sector targets of economic espionage originating in China directed at U.S. business and industry?

Answer. Foreign collectors continued to target a wide variety of unclassified and classified information and technologies in a range of sectors. With regard to China, the FBI has reported that in 2010 they prosecuted more Chinese espionage cases than at any time in our Nation's history.

Today, foreign intelligence services, criminals, and private sector spies are focused on American industry and the private sector. Their efforts compromise intellectual property, trade secrets, and technological developments that are critical to national security. If confirmed, I will work diligently with my staff at the Embassy to ensure that we use all the tools at our disposal to prevent economic espionage.

Question. It is essential that the Trans-Pacific Partnership (TPP) contain strong intellectual property provisions, including those in the pharmaceutical area. As you know, the TPP will be viewed as a model on IP by some countries. Have you had opportunity as Commerce Secretary to provide input on this topic to U.S. officials involved with the TPP discussions?

Answer. The Department has provided and continues to provide input on the intellectual property provisions of the TPP, including providing expert technical advice to the U.S. Trade Representative, who is the lead negotiator.

Question. On May 10, 2011, in closing remarks made after the conclusion of the 2011 U.S.-China Strategic and Economic Dialogue with Secretaries Clinton and Geithner, Chinese Vice Premier Wang Qishan stated "The United States commits to accord China fair treatment in a reform of its export control regime, [and] relax high-tech exports control towards China [.]"

- What specific commitments have been made by the administration to the PRC and in connection with which technologies under the accord announced by Vice Premier Wang?

Answer. In the U.S.-China S&ED Economic Track Joint Outcomes Document, the United States and China agreed to the following statement: "The United States commits to give full consideration to China's request that it be treated fairly as the

United States reforms its export control system. The United States will continue discussions, including technical discussions, on the export control status of designated parts, components, and other items of interest. Both sides agree to work through the U.S.-China High Technology Working Group (HTWG) to actively implement the Action Plan for U.S.-China High Technology Trade in Key Sectors Cooperation, hold U.S.-China fora on high-tech trade on a regular basis, and discuss high-tech and strategic trade cooperation through the HTWG.

The United States has not committed to relax high-tech export controls toward China, nor has the United States made any other commitments beyond those in the Joint Outcomes Document.

- What specific commitments have been made by the administration to the PRC and in connection with which technologies under the accord announced by Vice Premier Wang? How does the administration's export control reform initiative take into account existing and future risks of diversion of U.S. technology and data to Chinese military end uses, particularly in space-related technologies, to include each of the following:
 - (a) Chinese development of counter-space systems, including anti-satellite weapons (ASAT);
 - (b) Chinese development of area-denial weapons;
 - (c) Chinese development of offensive space capabilities;
 - (d) Chinese development of improved capabilities to limit or prevent the use of U.S. space-based assets during times of crisis or conflict;
 - (e) Enhanced Chinese C4ISR, including space-based sensors, which could enable Beijing to identify, track, and target military activities deep into the western Pacific Ocean.

Answer. In the U.S.-China S&ED Economic Track Joint Outcomes Document, the United States and China agreed to the following statement: "The United States commits to give full consideration to China's request that it be treated fairly as the United States reforms its export control system. The United States will continue discussions, including technical discussions, on the export control status of designated parts, components, and other items of interest. Both sides agree to work through the U.S.-China High Technology Working Group (HTWG) to actively implement the Action Plan for U.S.-China High Technology Trade in Key Sectors Cooperation, hold U.S.-China fora on high-tech trade on a regular basis, and discuss high-tech and strategic trade cooperation through the HTWG.

The United States has not committed to relax high-tech export controls toward China, nor has the United States made any other commitments beyond those in the Joint Outcomes Document.

HUMAN RIGHTS

Question. China continues to imprison Nobel Peace Prize winner Liu Xiaobo and harass his wife. Former colleagues have been arrested. Human rights lawyer Gao Zhisheng has also been detained. These are only two of so many individuals who disappeared or been detained. Likewise, China has the dubious distinction of being tied with Iran for the number of journalists imprisoned.

Answer. I am deeply concerned by the trend of extralegal detentions, arrests, and convictions of lawyers, activists, and other individuals for exercising their internationally recognized human rights. President Obama and Secretary Clinton have specifically called for the release of Liu Xiaobo; the administration has also urged the release of other political prisoners in China, including those under house arrest and those enduring enforced disappearances, such as Gao Zhisheng. Chinese Government actions against family members and associates of activists are also very troubling. The State Department remains concerned that Liu Xiaobo's wife, Liu Xia, is being confined to her home in Beijing and her movements are being restricted. The Department has called on the Chinese Government to respect her rights, in accordance with Chinese law and international norms, and to allow her to move freely without harassment.

The Department of State has urged China to respect internationally recognized conventions that guarantee freedom of the press and freedom of expression and has called for the rights of journalists to report in China to be respected and protected. If confirmed as Ambassador, I will continue to press the Chinese Government on these issues and to urge China to respect the universal right to freedom of expression and to freedom of association and assembly.

Question. Religious leaders are routinely detained and services disrupted by security forces. Internet freedom activists and even ordinary citizens find themselves jailed for even the most innocuous statements regarding their government. With all

of this, which cases will you be placing as a priority and how will you raise them with the Chinese Government? It has not been uncommon in the past for U.S. Ambassadors to publicly stand with dissidents living under repressive regimes. If confirmed, do you view yourself as having a similar role in China?

Answer. Promoting human rights—including freedom of religion, expression, and assembly—is a central objective of our diplomatic engagement with China. The U.S. Government's priority is to ensure that China respects the rights of all of its citizens in accordance with its own constitution and international norms. Our message is simple: a nation must respect its citizens' fundamental rights, just as prosperous modern economies require rule of law, open information flows, and a vibrant civil society. Expansion of civil and political rights would ultimately be a source of stability in Chinese society. If confirmed as Ambassador, one of my key roles would be that of a spokesman for America and America's values, including the freedoms that are the foundation of our great Nation. I will raise human rights at every opportunity and continue to raise specific cases with Chinese officials. I will also support and promote our human rights agenda in the many dialogues we maintain with China, such as the Human Rights Dialogue and the Strategic and Economic Dialogue.

Question. Xue Feng is an American businessman unjustly convicted of trafficking in state secrets. His case has been repeatedly raised by senior administration officials, including the President, and by many Members of Congress, to no avail. Your predecessor, Ambassador Huntsman, made it a practice for either he or his Deputy Chief of Mission to pay monthly visits to Xue.

- If confirmed will you continue this practice? What other steps will you take to make sure Mr. Xue is released and returned to his family in Houston at the earliest possible date?

Answer. The U.S. Government has been closely involved in Dr. Xue's case since he was detained more than 3 years ago. We have no higher priority than the protection of American citizens' rights. The Embassy has conducted 40 consular visits to Dr. Xue to monitor his welfare and deliver messages from his family, including the most recent visit of May 19, 2011. If confirmed, I will ensure that Embassy officials continue to visit Dr. Xue regularly and will press China to release him on humanitarian grounds and immediately return him to the United States.

Question. The United States and China have been holding human rights dialogues since 1991. China's Ministry of Foreign Affairs has shown itself to be increasingly unwilling to discuss cases of individuals jailed for the nonviolent expression of their political and religious beliefs. The Ministry has also refused to provide information on them, insisting that the cases like those of Liu Xiabao and detained artist Ai Weiwei "have nothing to do with human rights."

- If in fact China is unwilling to address our concerns over what is happening to these people do you favor continuing the policy of holding human rights dialogues with China? Are you concerned that by continuing this policy we are providing cover to the Chinese Government in its relentless crackdown on activists, journalists, artists, lawyers, and worshipers in house churches?

Answer. Promoting human rights is a central objective of our diplomatic engagement with China. We used the most recent Human Rights Dialogue to express our deep concerns about the deteriorating human rights situation in China, press for systemic changes, and raise individual cases. Although I am concerned about China's crackdown and the recent escalation in human rights cases, I also favor continuing our human rights dialogues. These dialogues provide the U.S. Government with an opportunity to engage in an in-depth dialogue on key human rights issues with a large number of Chinese ministries. This provides an important opportunity to advocate that China adhere to international human rights standards, create greater access to justice, and strengthen rule of law in order to create the conditions necessary for greater long-term social stability. But this is just one forum in which we raise our concerns over human rights. The U.S. Government raises such concerns regularly and at high levels. For example, the Secretary and Vice-President Biden also raised our human rights concerns at the Strategic and Economic Dialogue in May 2011.

Question. Since October 2010, a Protestant house church leader, Fan Yafeng and his family have been subjected to house arrest while being denied access to legal counsel. Have U.S. officials expressed concern to Chinese authorities about this case? What is their response?

Answer. The Department of State and Embassy Beijing are well aware of the case of Dr. Fan, and many others who, like him, have been subjected to extrajudicial

punishments for exercising their universal rights. U.S. officials regularly raise our concerns about these cases with our counterparts, both in Beijing and in Washington. Unfortunately, to date, the Department has not received satisfactory answers from our interlocutors regarding the reasons or legal basis for these actions.

Question. In addition to Falun Gong and Christian practitioners in China, what are other groups, organizations or religions that are targeted by the Government of China for ongoing harassment and persecution?

Answer. There are several known groups of religious practitioners that are subject to official harassment based on their beliefs. These include several groups that, like Falun Gong, are designated "illegal" by the Chinese Government, including the Guan Yin (also known as Guanyin Famin or the Way of the Goddess of Mercy) and the Zhong Gong (a qigong exercise discipline). The government also considers several Protestant Christian groups to be "evil cults," including the "Shouters," Eastern Lightning, the Society of Disciples (Mentu Hui), Full Scope Church, Spirit Sect, New Testament Church, Three Grades of Servants (or San Ban Pu Ren), Association of Disciples, Lord God Sect, Established King Church, Unification Church, Family of Love, and the South China Church. If confirmed, I will continue to urge the Chinese Government to respect its citizens' right to religious freedom. In the Xinjiang Uighur Autonomous Region and Tibetan areas, government authorities conflate separatism and religious extremism with peaceful religious practice and place severe religious restrictions on Uighur Muslims and Tibetan Buddhists. We express our concerns that these restrictions are unacceptable, alienating, and have a destabilizing effect.

Question. Chinese authorities continue to use the children and grandchildren of Rebiya Kadeer as pawns in an effort to silence her criticism for their continuing persecution of the Uyghur people. Chinese authorities cut off her family phone lines so she can no longer contact her children and grandchildren who are not in prison. Ms. Kadeer also believes she is under active surveillance of the Chinese Government in the United States.

- Will you press within the State Department for high-level engagement with Rebiya Kadeer and would you make raising the cases of her sons a priority in your engagement with the Chinese Government?

Answer. Department of State officials regularly hold meetings with individuals whose work supports enhanced freedom of expression, expansion of civil society, and democratic development, including Ms. Kadeer. The State Department continues to raise the cases of Ms. Kadeer's two incarcerated sons, most recently at the U.S.-China Human Rights Dialogue in April 2011. If confirmed, I will raise these cases and other cases of prisoners of conscience.

NORTH KOREAN REFUGEES

Question. In the past, North Korean refugees have approached U.S. Government facilities in China, seeking asylum, protection, or resettlement to the United States. If confirmed, what will be your instructions to all U.S. officials in China should they be approached by North Koreans seeking assistance? What is the guidance? Will you issue any other instructions?

Answer. The Department of State annually issues formal guidance to all overseas posts regarding individuals presenting themselves at a U.S. Government facility seeking asylum. The Department has also issued specific guidance for North Korean asylum seekers; this guidance is regularly updated and reissued to all relevant posts. I have been briefed by the Department's experts on the situation of North Korean refugees in China, on the Department's guidance on handling North Korean asylum seekers, and on the role of Mission China as it pertains to these issues. If confirmed, I will ensure that all Mission China employees are aware of this guidance and follow it carefully. If confirmed, I will also review the guidance with my staff upon arrival in China. I would be happy to ask the Department to schedule a classified briefing for you or your staff on the details of the guidance.

Question. What will be your recommendations to officials of U.S.-related non-government interests in China; e.g., schools or corporations in the event they are approached by North Korean refugees seeking assistance? What is the guidance? What would you say to Americans (a U.S. company, for instance) in China if NK refugees seek assistance from them?

Answer. The Department of State annually issues guidance to all overseas posts regarding individuals presenting themselves at a U.S. Government facility seeking asylum. The Department has also issued specific guidance for North Korean asylum seekers; this guidance includes provisions for U.S.-related nongovernment property.

I have been briefed by the Department's experts on the situation of North Korean refugees in China, on the Department's guidance on handling North Korean asylum seekers, and on the role of Mission China as it pertains to these issues. If confirmed, I will ensure that all Mission China employees are aware of this guidance and follow it carefully. If confirmed, I will also review the guidance with my staff upon arrival, including how Mission China works with nonofficial Americans and American institutions on these sensitive issues, I would be happy to ask the Department to schedule a classified briefing for you or your staff on the details of the guidance.

Question. Chinese officials have rejected a recommendation to allow the United Nations High Commissioner for Refugees (UNHCR) to establish an operation within China to receive North Korean refugees for resettlement to a third country. Will you encourage Chinese officials to allow UNHCR to establish a presence within their country for this purpose?

Answer. China is one of the only Asian parties to the 1951 Refugee Convention and its 1967 Protocol. We encourage China to fulfill its obligations under the Convention and to cooperate with the U.N. High Commissioner for Refugees (UNHCR) and enable it to exercise its mandate without undue interference. We urge the Chinese Government to uphold the principles of international protection and to allow UNHCR to exercise its mandate fully, and free from government influence or pressure. We will continue to support efforts by the UNHCR to establish a presence in China, especially in the northeastern provinces.

UNITED STATES-CHINA PUBLIC DIPLOMACY

Question. As mentioned earlier, I remain deeply concerned by the Chinese Government's refusal to allow us to open more American Centers in China while they have more than 70 "Confucius Centers" here. Why have U.S. officials not pressed the Chinese more on allowing equal consideration?

Answer. The State Department also shares your concern about the obstacles we face in establishing American cultural centers in China. The barriers to the establishment of "American Corners" at public and university libraries—which the United States enjoys in almost every other country in the world—have effectively prevented us from similar operations in China. There are, however, alternative methods of creating places for Chinese audiences to learn about the United States and several options are being vigorously pursued. Recently, a number of U.S. universities such as Arizona State University, New York University, and University of Southern California, have entered into partnerships with Chinese universities to establish university-sponsored American cultural centers on Chinese campuses. This is an encouraging trend. The Department hopes to see the establishment of additional American cultural centers in China.

Discouraging Confucius Institutes in the United States would not lead to progress on our own cultural spaces in China. Confucius Institutes are the result of agreements between the Hanban, a quasi-private entity with close ties to the Chinese Ministry of Education, and individual U.S. universities and answer a growing demand from Americans to learn Chinese.

Question. Please provide a list, by all State-owned news outlets, of the number of journalists working for state media presently accredited to work in the United States. Please identify in which city or media market they are working. How many Voice of America and Radio Free Asia reporters have the Chinese Government granted visas to and where do they work?

Answer. A total of 209 accredited Chinese journalists have voluntarily registered with the State Department's Foreign Press Centers in Washington, DC, New York, and Los Angeles. There are 101 registered in New York, 89 in Washington, and 19 in Los Angeles. Because registration with the Foreign Press Center is voluntary, the list is not necessarily exhaustive for the entire United States.

Voice of America currently has two fully accredited journalists working in Beijing: one from VOA Mandarin and one from VOA's news room. There are no RFA journalists accredited to work inside China. Most of the major privately owned U.S. and international media organizations have correspondents accredited to work in China; we estimate that there are 200 correspondents and producers in China. We have raised our concerns regarding the VOA's difficulty in obtaining visas with the Chinese, and intend to continue doing so in the future.

The following is a list of accredited Chinese journalists by media outlet.

Accredited Chinese Journalists by Media Outlet Registered with the Foreign Press Centers

Organization	Media type
New York:	
1. 21st Century Business Herald	NEWSPAPER
2. 21st Century Business Herald	NEWSPAPER
3. Beijing Review	MAGAZINE
4. Beijing Review	MAGAZINE
5. Beijing Review Magazine	MAGAZINE
6. Caijing Magazine	MAGAZINE
7. CCTV	TV
8. China Business News	NEWSPAPER
9. China Central Television	WIRELESS NEWS AGENCY
10. China Central Television (CCTV)	TV
11. China Central Television (CCTV)	TV
12. China Central TV	TV
13. China Daily	NEWSPAPER
14. China Daily USA	NEWSPAPER
15. China Economic Daily	NEWSPAPER
16. China News Service	WIRELESS NEWS AGENCY
17. China News Service	WIRELESS NEWS AGENCY
18. China News Service	WIRELESS NEWS AGENCY
19. China News Service	WIRELESS NEWS AGENCY
20. China News Service	WIRELESS NEWS AGENCY
21. China News Service	WIRELESS NEWS AGENCY
22. China Radio International	RADIO
23. Economic Daily	NEWSPAPER
24. Economic Daily	NEWSPAPER
25. Jiefang Daily	NEWSPAPER
26. Jiefang Daily	NEWSPAPER
27. New Tang Dynasty	TV
28. People's Daily	NEWSPAPER
29. People's Daily	NEWSPAPER
30. People's Daily	NEWSPAPER
31. People's Daily	NEWSPAPER
32. Phoenix Satellite Television (US) Inc.	TV
33. Science & Technology Daily	NEWSPAPER
34. Shanghai Oriental Morning Post	NEWSPAPER
35. Sina	WIRELESS NEWS AGENCY
36. Sing Tao Chinese Radio/Daily	NEWSPAPER
37. South China Morning Post	NEWSPAPER
38. Wen Hui Daily	NEWSPAPER
39. Xinhua News Agency	WIRELESS NEWS AGENCY
40. Xinhua News Agency	WIRELESS NEWS AGENCY
41. Xinhua News Agency	WIRELESS NEWS AGENCY
42. Xinhua News Agency	WIRELESS NEWS AGENCY
43. Xinhua News Agency	WIRELESS NEWS AGENCY
44. Xinhua News Agency	NEWSPAPER
45. Xinhua News Agency	WIRELESS NEWS AGENCY
46. Xinhua News Agency	WIRELESS NEWS AGENCY
47. Xinhua News Agency	WIRELESS NEWS AGENCY
48. Xinhua News Agency	WIRELESS NEWS AGENCY
49. Xinhua News Agency	WIRELESS NEWS AGENCY
50. Xinhua News Agency	WIRELESS NEWS AGENCY
51. Xinhua News Agency	WIRELESS NEWS AGENCY
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59. Xinhua News Agency	WIRELESS NEWS AGENCY
60. Xinhua News Agency	WIRELESS NEWS AGENCY
61. Xinhua News Agency	WIRELESS NEWS AGENCY
62. Xinhua News Agency	WIRELESS NEWS AGENCY
63. Xinhua News Agency	WIRELESS NEWS AGENCY

Accredited Chinese Journalists by Media Outlet Registered with the Foreign Press Centers—
Continued

Organization	Media type
64. Xinhua News Agency	WIRELESS NEWS AGENCY
65. Xinhua News Agency	WIRELESS NEWS AGENCY
66. Xinhua News Agency	WIRELESS NEWS AGENCY
67. Xinhua News Agency	WIRELESS NEWS AGENCY
68. Xinhua News Agency	WIRELESS NEWS AGENCY
69. Xinhua News Agency	WIRELESS NEWS AGENCY
70. Xinhua News Agency	WIRELESS NEWS AGENCY
71. Xinhua News Agency	WIRELESS NEWS AGENCY
72. Xinhua News Agency	WIRELESS NEWS AGENCY
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97. Xinhua News Agency	WIRELESS NEWS AGENCY
98. Xinhua News Agency	WIRELESS NEWS AGENCY
99. Xinhua News Agency	WIRELESS NEWS AGENCY
100. Xinhua News Agency	WIRELESS NEWS AGENCY
101. Xinhua News Agency	WIRELESS NEWS AGENCY
Los Angeles:	
102. Caijing Magazine	MAGAZINE
103. China Central Television (CCTV)	TV
104. China News Service	WIRELESS NEWS AGENCY
105. China News Service	WIRELESS NEWS AGENCY
106. China Television Company (CTV)	NEWSPAPER
107. Economic Daily	NEWSPAPER
108. Geo TV	TV
109. People's Daily	NEWSPAPER
110. People's Daily / Global Times	NEWSPAPER
111. Sing Tao Daily	NEWSPAPER
112. The China Press	NEWSPAPER
113. TTV - Taiwan Television	TV
114. TVBS	NEWSPAPER
115. TVBS, Radio Free Asia	TV
116. Xin Min Evening News	NOT DETERMINED
117. Xin Min Evening News	NOT DETERMINED
118. Xinhua News Agency	WIRELESS NEWS AGENCY
119. Xinhua News Agency	WIRELESS NEWS AGENCY
120. Xinhua News Agency	WIRELESS NEWS AGENCY
District of Columbia:	
121. 21st Century Business Herald	NEWSPAPER
122. 21st Century Business Herald	NEWSPAPER
123. Beijing Daily	NEWSPAPER

Accredited Chinese Journalists by Media Outlet Registered with the Foreign Press Centers—
Continued

Organization	Media type
124. Beijing Youth Daily	NEWSPAPER
125. Caixin Media	MAGAZINE
126. Caixin Media	NEWSPAPER
127. China Business News	NEWSPAPER
128. China Central Television (CCTV)	TV
129. China Central Television (CCTV)	TV
130. China Central Television (CCTV)	TV
131. China Central Television (CCTV)	TV
132. China Central Television (CCTV)	RADIO
133. China Central Television (CCTV)	TV
134. China Central Television (CCTV)	TV
135. China Central Television (CCTV)	TV
136. China Central Television (CCTV)	TV
137. China Central Television (CCTV)	TV
138. China Central Television (CCTV)	TV
139. China Central Television (CCTV)	TV
140. China Central Television (CCTV)	TV
141. China Central Television (CCTV)	TV
142. China Central Television (CCTV)	TV
143. China Central Television (CCTV)	TV
144. China Central Television (CCTV)	TV
145. China Central Television (CCTV)	TV
146. China Central Television (CCTV)	TV
147. China Central Television (CCTV)	TV
148. China Central Television (CCTV)	TV
149. China Central Television (CCTV)	TV
150. China Central TV America	TV
151. China Central TV America	TV
152. China Central TV America	TV
153. China Daily	NEWSPAPER
154. China Daily	NEWSPAPER
155. China Daily	NEWSPAPER
156. China News Service	WIRELESS NEWS AGENCY
157. China News Service	WIRELESS NEWS AGENCY
158. China Radio International	RADIO
159. China Radio International	RADIO
160. China Radio International	RADIO
161. China Radio International (CRI)	RADIO
162. China Youth Daily	NEWSPAPER
163. China Youth Daily	NEWSPAPER
164. China Youth Daily	NEWSPAPER
165. Economic Daily	NEWSPAPER
166. Feature Story News (FSN)	TV
167. Global Times	NEWSPAPER
168. Guang Ming Daily	NEWSPAPER
169. Guang Ming Daily	NEWSPAPER
170. Humphrey Fellow	MAGAZINE
171. Legal Daily	NEWSPAPER
172. Legal Daily	NEWSPAPER
173. Liberation Daily	NEWSPAPER
174. People's Daily	NEWSPAPER
175. People's Daily	NEWSPAPER
176. People's Daily	NEWSPAPER
177. People's Daily	NEWSPAPER
178. People's Daily	NEWSPAPER
179. People's Daily	NEWSPAPER
180. People's Daily	NEWSPAPER
181. Science & Technology Daily	NEWSPAPER
182. Science & Technology Daily	NEWSPAPER
183. Shanghai Media Group	TV
184. Shanghai Wenhui Daily	NEWSPAPER
185. Shanghai Wenhui Daily	NEWSPAPER
186. The China Press	NEWSPAPER

Accredited Chinese Journalists by Media Outlet Registered with the Foreign Press Centers—
Continued

Organization	Media type
187. The Economic Observer	MAGAZINE
188. Xinhua News Agency	WIRELESS NEWS AGENCY
189. Xinhua News Agency	WIRELESS NEWS AGENCY
190. Xinhua News Agency	WIRELESS NEWS AGENCY
191. Xinhua News Agency	WIRELESS NEWS AGENCY
192. Xinhua News Agency	WIRELESS NEWS AGENCY
193. Xinhua News Agency	WIRELESS NEWS AGENCY
194. Xinhua News Agency	WIRELESS NEWS AGENCY
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202. Xinhua News Agency	WIRELESS NEWS AGENCY
203. Xinhua News Agency	WIRELESS NEWS AGENCY
204. Xinhua News Agency	WIRELESS NEWS AGENCY
205. Xinhua News Agency	WIRELESS NEWS AGENCY
206. Xinhua News Agency	WIRELESS NEWS AGENCY
207. Xinhua News Agency	WIRELESS NEWS AGENCY
208. Xinhua News Agency	NEWSPAPER
209. Xinhua News Agency	TV

ADOPTIONS

Question. As you are aware, many Americans are interested in international adoptions. China has reduced the number of children available for adoption internationally, leading to wait times of 5 years or more. Is this change due in part to the consequences of China's one-child policy? Also, there are reports that China may be making it more difficult to relinquish children resulting with more children being abandoned often leading to their death. Are you familiar with these issues and will you raise these points with Chinese officials if confirmed?

Answer. China is party to the "Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption." Therefore, all adoptions between China and the United States must meet the requirements of the Convention and U.S. law implementing the Convention. For example, the Convention requires that China attempt to find a permanent family in-country before determining that a child is eligible for intercountry adoption. China's rapid economic development and other socioeconomic factors, including the one-child policy, have led to greater availability of domestic options for adoption. This may contribute to longer wait times for parents seeking an intercountry adoption of children without special needs from China. The United States has an excellent working relationship with the Chinese Central Authority, the China Center for Children's Welfare and Adoptions and will continue to work to facilitate adoptions from China pursuant to the requirements of the Hague Intercountry Adoption Convention.

If confirmed, I will examine these issues in more depth with Embassy consular affairs officers to determine how we may best work with the Chinese to facilitate ethical and transparent adoptions by American parents. I will be sure to discuss American interest in adopting from China as opportunities arise.

This is an area of personal interest for me, as well. When I was Governor of Washington State, I helped several families from the Pacific Northwest navigate the adoption process so they could adopt children from China.

TIBET

Question. Have you read the bipartisan committee staff report on Tibet that was published earlier this year? Do you agree with all the recommendations for administration action and will you endeavor to carry them out? Will you commit to travel to Tibetan areas, including outside of Lhasa, to seek accurate information about these areas, which are among the few in China where foreigners do not have free access?

Answer. The Department of State, including the Special Coordinator for Tibetan Issues, has reviewed and briefed me on the contents of the report. I welcome its analysis and recommendations for action. The Department continues to work steadily to help sustain Tibet's unique religious, linguistic, and cultural heritage. Among the report's recommendations, and consistent with the Tibet Policy Act, the Department continues to urge the Chinese Government to engage in a substantive dialogue with the representatives of the Dalai Lama that will achieve actual results. In addition, Department officials also have urged China to relax restrictions on movements of U.S. Government officials, journalists, and Tibetan pilgrims to and from Tibetan regions. Travel to Tibetan areas, including outside of Lhasa, is an important priority for our Embassy in Beijing, and if confirmed I look forward to continuing to press for the opportunity to travel to the Tibet Autonomous Region and other Tibetan areas.

Question. Currently there is great concern over the events at Kirti Monastery, in the Tibetan part of Sichuan province, where a young monk immolated himself earlier this year. This prompted an unprecedented crackdown in April, when the Monastery was forcibly taken over by security forces; 25 monks remain in detention; 300 other monks have reportedly been taken away for "patriotic education"; and two laypeople were reportedly killed by security forces. How will you respond to this situation if you are confirmed?

Answer. The Department of State is closely following developments at Kirti Monastery. Department officials have expressed deep concern about reports that Chinese authorities forcibly removed 300 monks from the Kirti Monastery, sentenced two other monks to 3 years of imprisonment without due process, and that the whereabouts of 25 detained monks and laypeople are still unknown. Assistant Secretary Posner discussed our concerns about Kirti Monastery and China's counterproductive policies in Tibetan areas of China during the most recent Human Rights Dialogue. If confirmed, I will continue to raise our concerns with the Chinese Government and urge China to respect the human rights, including religious freedom, of the members of the Kirti community and all Chinese citizens.

CHINA AND DEVELOPMENT

Question. What steps is the United States taking, or should additionally take, to encourage China to disclose its lending to developing countries? Following years of debt relief from the multilateral financial institutions and bilateral donors for poor countries, many are concerned that those same poor countries are becoming increasingly indebted to China.

Answer. For developing countries, China's assistance is welcomed as additional resources to complement those from other donors. However, over the past decade, China's "foreign assistance"—a mixture of trade, loans, investment and aid—has raised governance and sustainability concerns, from both the traditional donor community and aid recipients. In addition, China remains reluctant to engage energetically on global development issues with the United States and other key donors.

In order to improve the transparency and effectiveness of China's development activities in third countries, USAID has been engaging China in dialogue on overseas development assistance and is seeking to create a number of cooperative development projects with China in several African countries.

If confirmed, I will continue to support and encourage more collaborative efforts and call for China to join multilateral groups of donor nations in devising and adopting best practices that address development challenges aimed at benefiting the poorest of the poor in developing countries.

SANCTIONS

Question. Earlier this week, the Department of State announced sanctions on four Chinese firms and individuals over trade links with Iran, Syria, and North Korea in goods or technology that may be used for missiles or weapons of mass destruction. How does the administration view Chinese cooperation on sanctions implementation, particularly since the passage of U.N. Security Council Resolution 1929 last June?

Answer. The prevention of the spread of nuclear weapons and related technologies is one of the Obama administration's highest priorities. Iran and North Korea were key topics of President Obama's talks with Chinese President Hu Jintao during his January 2011 visit. The administration will continue to uphold U.S. law and impose sanctions as necessary and warranted. Most recently, the United States imposed a number of sanctions under the Iran, North Korea, and Syria Nonproliferation Act

(INKSNA) against Chinese firms and individuals that engaged in proliferation-related transfers with Iran.

China has played an important role in the diplomatic efforts to address the threats from Iran and North Korea. China, as part of the P5+1 and U.N. Security Council, contributed to the crafting of U.N. Security Council Resolution 1929 and plays an important role in efforts to reach a resolution of the international community's serious concerns about Iran's nuclear program. In the January 19, 2011, United States-China joint statement, both sides called for full implementation of all relevant U.N. Security Council resolutions. We have been pleased with the unity that China and other P5+1 partners have maintained in our negotiations with Iran, and we continue to jointly insist that Iran comply with its international obligations. China has stated that it is committed to implementing Resolution 1929 and the other resolutions on Iran fully and faithfully, but China has stated that it does not support sanctions beyond those contained in UNSCR 1929 and previous UNSCRs on Iran. China agrees with the United States that a nuclear-armed Iran would pose a grave regional and international threat; however, we do not necessarily agree on the timeframe or method to solve the problem. We have worked closely with the Chinese on this issue, and will continue to raise this issue at all levels in meetings with Chinese officials.

As Secretary Clinton has said, if we have information about technology transfers that we believe is inconsistent with Security Council resolutions and Chinese laws, we bring such information to the attention of the Chinese Government and request that it investigate and take appropriate action to prevent any prohibited transfers. Furthermore, we will not hesitate to enforce our sanctions laws, as the most recent imposition of sanctions against Chinese entities and individuals under INKSNA demonstrates. Chinese controls over such transfers remain inhibited by an as yet underdeveloped export control apparatus and an apparent continued lack of political will to develop a comprehensive control system.

During their January 2011 meetings with President Hu, President Obama and Secretary Clinton both stressed the need for continued Chinese restraint in Iran's energy sector, by slowing existing activities and by not concluding any new deals. The administration has also pressed China not to "backfill" by assuming the business of other firms that have responsibly departed Iran's energy sector. We have seen some evidence in open sources that China has exercised some restraint in this area, but we continue to monitor closely China's activities in the energy sector. As Secretary Clinton has said, this administration will enforce the law with respect to Chinese firms. The United States and China share the same goal, and we need to work together to prevent Iran from becoming a nuclear weapons state.

The administration also discusses on a regular basis with China how it can and should best use its influence with North Korea, given its unique history and relationship with the DPRK. In June 2009, China voted in favor of adoption of U.N. Security Council Resolution 1874, which imposed additional sanctions against the DPRK. The United States has called on all members of the U.N. Security Council and all U.N. Member States, including China, to fully and transparently implement these sanctions and to refrain from further provocations.

RESPONSES OF GARY LOCKE TO QUESTIONS SUBMITTED BY SENATOR JAMES E. RISCH

Question. Over the years, China's support of both conventional weapons transfers and Pakistan's nuclear and missile programs have caused concern. Recently, China has reached out to Pakistan to offer deeper relations as an alternative to the West. Given the instability in Pakistan, do you believe these overtures are helpful? What will you do to help the Chinese understand that instability in a nuclear-armed Pakistan does not promote stability?

Answer. The administration believes that there is a role for China to play in helping the international community deal with the challenge of peace and stability in Afghanistan and in cooperating to allow Pakistan to strengthen its democracy and to deal with the economic challenges that country faces. If confirmed, I will work closely with the Secretary's Representative for Afghanistan and Pakistan to promote effective United States-Chinese cooperation in the region.

Question. Recently, in front of the Senate Armed Services Committee Lieutenant General Carlisle said: "You need only look across the Pacific and see what [China] is doing, not just their air force capability, but their surface-to-air [missile] capability, their ballistic missile capability, their antiship ballistic missiles. All of those things are incredibly disturbing to us for the future."

- Do you believe China's military buildup is benign or should it be cause for U.S. concern? Do you agree with General Carlisle's assessment?

Answer. China has embarked on a comprehensive effort to transform its military into a modern force capable of conducting a growing range of military operations. The administration is mindful of China's military modernization plans and, in particular, the lack of transparency surrounding them. We monitor carefully China's military developments and, in concert with our allies and partners, will adjust our policies and approaches as necessary.

Both President Hu and President Obama have stressed that a healthy, stable, and reliable military-to-military relationship is an important component of our overall bilateral relationship. President Obama told President Hu that we need to develop a military-to-military dialogue that is ongoing and sustainable even in the face of the inevitable ups and downs of the overall relationship. We have now made progress in resuming military-to-military dialogue, which we believe can help to build trust and reduce misunderstanding, misperception, and miscalculation.

Question. China's neighbors are deeply concerned about China's assertion of sovereign control over the entire South China Sea. How should the United States deal with this issue? Do you think we could see another "Mischief Reef" scenario by the Chinese to assert its control over the sea? What should we do about similar Chinese assertions in the East China Sea?

Answer. As Secretary Clinton stated in Hanoi at the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF) last year, the United States shares a number of national interests with the international community in the South China Sea. These interests include regional peace and stability, freedom of navigation, respect for international law, and unimpeded commerce under lawful conditions. We urge that all claimants exercise restraint in dealing with these competing claims. We support a collaborative and peaceful diplomatic process by all claimants to resolve the various territorial and maritime disputes without coercion, and we call on all claimants to conform all of their claims—both land and maritime—to international law. To advance these goals, the United States supports the ASEAN-China declaration on the conduct of parties in the South China Sea and encourages the parties to reach a full code of conduct. With regard to a Mischief Reef scenario, I would not want speculate about hypothetical situations. We believe territorial claims in the East China Sea should also be resolved peacefully and in accordance with international law. We oppose the use or threat of force by any claimant. The United States does not take sides in territorial disputes in the South China Sea or East China Sea.

Question. Given how much U.S. debt is owned by the Chinese, will you let these economic issues, become an obstacle to addressing issues like human rights, political reforms, Chinese military buildup, or other substantive issues?

Answer. Approximately 70 percent of U.S. Treasury securities are held by domestic investors or the U.S. Government, with only 30 percent of U.S. debt held by foreign entities. Externally owned U.S. debt is held by a diversified group of countries, and we are not overly reliant on any one overseas holder of U.S. Treasury securities. China's holdings represent only about 8 percent of U.S. Treasury securities outstanding.

While China has a strong interest in the stability of our debt, as a creditor China's holdings of Treasury securities have no effect on any U.S. foreign policy decisions.

Question. Your predecessor Ambassador Huntsman set a good standard with human rights outreach in China. He spoke publicly and privately about these issues, met with dissidents and families, cultivated independent Chinese media outlets, and took other critical steps to create a climate of support for these issues within the Embassy and reiterated the importance to Chinese interlocutors.

- Do you see this as a floor or a ceiling in terms for ambassadorial human rights advocacy?

Answer. The protection and the promotion of liberty and freedom are fundamental tenets of American foreign policy. Promoting human rights—including freedom of religion, speech, and assembly—is a central objective of our diplomatic engagement with China. U.S. officials will continue to make very clear both publicly and privately our concerns about the deteriorating human rights situation in China. If confirmed, I will be a forceful advocate with the Chinese Government and the Chinese people for promoting the respect of universal human rights in China.

Question. Will you continue the practice of meeting with dissidents in and outside of China? What other kinds of initiatives do you envision taking to engage directly

with Chinese people and promote universal values? Will you attend any part of dissident trials like other ambassadors?

Answer. The Embassy maintains a wide variety of contacts within Chinese society, including with activists who work on a range of issues, and if confirmed I intend to continue such meetings but also to engage in broad outreach to both Chinese officials and the Chinese people to convey the human rights values for which America stands. Promoting human rights—including freedom of religion, speech, and assembly—is a central objective of our diplomatic engagement with China. Although the Embassy has submitted requests for permission to attend the trials of known activists, none has been granted to date. If confirmed, the Embassy under my leadership will continue to press for permission to attend such trials.

Question. A number of U.S. NGOs work in China or provide financial support to Chinese NGOs working on areas considered sensitive by the Chinese Government, such as human rights NGOs and those working in Tibet. In recent years, many of these groups and their domestic partners have come under pressure from the Chinese Government, particularly those who have a U.S. Government funding source, such as organizations that work with the National Endowment for Democracy and its affiliates, and U.S. NGOs working in Tibetan areas.

- Will you be willing to meet and consult with the U.S. NGOs doing sensitive work in China on how the Embassy can best support their efforts?

Answer. Yes. If confirmed, I will consult with a wide range of American citizens and organizations that deal with the many aspects of United States-China relations, including human rights. The State Department's Bureau for Democracy, Human Rights, and Labor supports many active and important programs in the rule of law and civil society development, among others. I have already met with Assistant Secretary Michael Posner to discuss his views on human rights in China, and if confirmed, will continue to conduct further consultations, including with NGOs, to learn more about programs and how to promote our common objectives in China.

RESPONSES OF GARY LOCKE TO QUESTIONS SUBMITTED BY
SENATOR ROBERT P. CASEY, JR.

Question. Under the Obama administration, China's record of blatant disregard for World Trade Organization (WTO) rules has remained abysmal, if not worsened.

- Secretary Locke, can you explain how your leadership at Commerce has helped address any of the major trade problems we continue to have with China, including currency, rampant intellectual property rights (IPR) theft, and massive industrial subsidies?

Answer. I fully appreciate your concerns regarding the currency practices of China. This is an important issue for me and the Obama administration. As you know, the authority to monitor and report on currency manipulation is delegated by law to the Department of Treasury. However, in all my meetings with Chinese officials I have repeated the administration's call for reform of Chinese currency practices. As the Secretary of Commerce, I have been steadfast in my commitment to vigorously enforce the U.S. trade remedy laws to ensure that U.S. workers and industries have the opportunity to compete on a level playing field. In every instance that a domestic industry filed an antidumping duty (AD) or countervailing duty (CVD) petition that met the statutory requirements for initiation, we initiated investigations. While the Department of Commerce has yet to receive a CVD allegation regarding China's currency that has met the statutory requirements for initiation, the Department has countervailed a variety of subsidy programs involving a wide range of imports from China and have placed duties to offset these unfair subsidies. Based on 2010 trade data, roughly \$11.6 billion, or 3.2 percent, of imports from China were covered under orders in effect that year. At the end of 2010, there were 108 orders in place against Chinese products.

On IPR, we have made significant progress with China during my tenure, but we must continue to push China to do more. At the 2009 Joint Commission on Commerce & Trade (JCCT), China committed to clamping down on Internet piracy, strengthening the protection of IPR at state-run libraries, and addressing concerns over a Ministry of Culture circular relating to online music distribution.

During the 2010 JCCT, China announced that it would take significant steps to ensure that software used on government computers is legitimate and promote legal software use in enterprises, while the judiciary would undertake a study that would lead to a judicial interpretation on Internet infringement liability. Also, cooperation between the United States and China would continue on strengthening IPR protec-

tion at libraries and discussions would continue on patents and standards issues. Furthermore, China would clarify the responsibilities of market managers and landlords, and China would not adopt or maintain measures that make the location of the development or ownership of intellectual property a direct or indirect condition for eligibility for government procurement preferences for products and services.

At the 2010 JCCT and during President Hu's state visit to Washington, DC, in January 2011, we pushed China to commit to announcing more specific plans on software legalization and eliminating discriminatory innovation policies that take into account where IPR is developed when making government procurement decisions. China's commitments are only credible if they deliver results. We will be holding a JCCT midyear review to press for full implementation of China's 2010 JCCT commitments.

Regarding industrial subsidies, the administration is committed to vigorously challenging any Chinese subsidies that are inconsistent with China's WTO obligations, whether through multilateral action at the WTO or the strong enforcement of U.S. trade laws to remedy unfairly subsidized and injurious Chinese imports. Addressing unfair and harmful Chinese Government subsidies has been a key priority during my tenure at the Department of Commerce. Indeed, trade compliance and enforcement are key components of the administration's National Export Initiative. One of the ways we have pursued these efforts is through the Department of Commerce's strong enforcement of the CVD law which provides U.S. industries and workers with a reliable process to obtain effective relief from the injurious effects of imports from China benefiting from Chinese Government subsidies. Moreover, the Department of Commerce has a strong subsidies enforcement program which devotes considerable resources to identifying and addressing potentially harmful Chinese Government subsidies that may impact our exports abroad. We are thus engaged in a wide range of activities that seek to confront harmful Chinese Government subsidies, and thereby promote a level playing field for American companies and its workers.

Question. Senator Wyden and his staff estimate that only 1 percent of all countervailing and antidumping duties are collected, with the majority of evasion coming from China. What has the Commerce Department done under your leadership to deal with this problem?

Answer. The Department of Commerce's role in detecting and deterring circumvention of antidumping and countervailing duties is addressed in section 781 of the Tariff Act of 1930 (the Act). If the Department of Commerce determines that an order is being circumvented, Commerce directs U.S. Customs and Border Protection (CBP) to suspend liquidation of the entries and require a cash deposit of estimated duties on all unliquidated merchandise determined to be circumventing the order.

The Department of Commerce is currently investigating six allegations of circumvention of Chinese antidumping and countervailing duty orders. These include orders on steel wire garment hangers, laminated woven sacks, small diameter graphite electrodes, glycine, tissue paper, and cut-to-length carbon steel plate.

In the tissue paper inquiry, for example, the Department of Commerce recently made a preliminary determination that certain tissue paper processed and exported to the United States by a Vietnamese company was circumventing the AD order on tissue paper from China. Commerce directed CBP to suspend liquidation and collect cash deposits at a rate of 112.64 percent for all exports from the Vietnamese company retroactive to the date we initiated the circumvention inquiry. We will be considering comments from interested parties prior to making a final determination in this case in August.

In addition to the authority to address circumvention that is specifically prescribed to the Department of Commerce by statute, Commerce works in close cooperation with CBP, Immigration and Customs Enforcement (ICE) and the Department of Justice to assist them in responding to allegations of duty evasion, transshipment, and fraud that fall within their jurisdiction.

Over the past several years, Commerce and CBP have been working to improve communications between the two agencies in order to strengthen enforcement of the AD/CVD laws. Cooperation among IA, CBP, ICE, and the Department of Justice has resulted in indictments, convictions, and prison sentences for evaders of AD/CVD orders. To cite just one example, our interagency cooperation led to the indictment in 2010 of Alfred L. Wolff GmbH, a German food conglomerate, and 10 executives for conspiracy to illegally import more than \$40 million of honey from China between 2002 and 2009 and avoid paying nearly \$80 million in AD duties.

The Department of Commerce is committed to robustly enforcing the trade remedy laws in order to ensure that American businesses and workers have the oppor-

tunity to compete on a level playing field against their foreign competitors. The Department of Commerce will continue to work intensively to ensure the AD and CVD orders are not circumvented and will actively coordinate with its sister agencies to minimize evasion of AD and CVD duties.

Question. Do you support Senator Wyden's bill, "The Enforce Act," introduced last Congress, to enhance Custom's ability to enforce duty collection?

Answer. The administration has taken no official position with respect to Senator Wyden's bill. Nevertheless, we stand ready to work with you and other Members of Congress—as well as with the Department of Homeland Security—to take appropriate measures that ensure all countervailing and antidumping duties imposed are properly collected and duty evasion schemes are rightfully prosecuted.

Question. China's currency manipulation practices remain of serious concern. The Treasury Department's February 2011 report on international economic and exchange rate policies of U.S. major trading partners cited the need for greater flexibility from China, noting that the Chinese currency remains "substantially undervalued." However, diplomatic efforts to push China to allow the Chinese yuan to appreciate more quickly have achieved little progress to date.

- As Ambassador to China, what "creative diplomatic" steps will you take to encourage the Chinese Government to end the unfair manipulation of its currency?
- What impact do you foresee potential currency manipulation legislation having on U.S. efforts to address this serious concern?

Answer. As President Obama and Treasury Secretary Geithner have clearly stated, China's decision to increase flexibility of its exchange rate will help safeguard global recovery in the wake of the financial crisis, and contribute to a balanced global economy. If confirmed, I will continue to press China to move forward in implementing an exchange rate policy that will be beneficial to both the global and domestic Chinese economy.

Question. Most trade experts believe that China is in the process of backsliding from the commitments it has made since joining the WTO.

- Do you agree with this assessment? If so, how will you use your new role as Ambassador to work to defend what is left of the U.S. manufacturing base?

Answer. China's efforts to implement its WTO commitments since its 2001 accession have led to increased exports and opportunities for U.S. companies. However, in some areas, China has yet to fully implement some of its commitments. We have also been seeing a troubling trend in recent years toward increased government intervention in China's economy. While bilateral trade with China continues to grow, a number of American businesses continue to face significant market access barriers and preferential policies that favor Chinese firms, especially SOEs. China must address these concerns, and if confirmed, I will work in concert with USTR to press the Government of China to fully implement and adhere to its WTO commitments. If dialogue fails, I am fully supportive of the administration using the full range of enforcement options, as it has been doing. We have been by far the most active—and successful—WTO Member in bringing WTO dispute settlement cases against China.

Question. The Strategic and Economic Dialogue has failed to create any meaningful progress on important trade and economic issues in our relationship with China. As Ambassador, how will you work to boost the effectiveness of this dialogue?

Answer. As Secretary Clinton has stated, the Strategic and Economic Dialogue is the premier forum in a bilateral relationship that is as important and complex as any in the world.

The three rounds of the S&ED demonstrate the importance of this forum for advancing our most important policy objectives with China. We use the S&ED to expand the areas where we cooperate and to narrow the areas where we diverge, while holding firm to our values and interests. We also employ the S&ED to form habits of cooperation that will help us work together more effectively to meet our shared regional and global challenges and also to weather disagreements when they arise.

This year's S&ED produced 48 concrete outcomes on the Strategic track. We announced, among other outcomes, the creation of the new U.S.-China Strategic Security Dialogue, the U.S.-China consultation on the Asia/Pacific, and announced new areas of cooperation in areas ranging from energy and environmental cooperation to scientific cooperation and people-to-people exchange. In the Economic Track, the United States secured important commitments to level the playing field for U.S.

companies and workers, shift the orientation of China's economy toward domestic demand-led growth, improve IP protection, and, in the process, promote greater U.S. exports to the large and rapidly growing Chinese market. We are already working to make sure China implements these important commitments in an effective and decisive manner. If confirmed, I will do my utmost, working with my colleagues at the Departments of State, Treasury, Commerce and other agencies, to continue to utilize the S&ED to make further progress on critical issues.

Question. In a letter to President Obama in January, I outlined the very real difficulties many Pennsylvania companies and workers face due to China's lack of enforcement of intellectual property rights. For example, C.F. Martin & Co.—a world-renowned Pennsylvania guitar manufacturer—has been fighting to register its mark with the Chinese Government since 2005. According to the company, a Chinese individual has been illegally registering the mark in order to produce and sell counterfeit guitars of low quality. The lack of protection on the part of the Chinese harms not only C.F. Martin & Co., but also countless other Pennsylvania companies and workers—and American exports more broadly. I have urged the administration to work with the Chinese to address concerns over intellectual property rights infringement.

- As Ambassador, how will you address the very real threat that Chinese intellectual property infringement poses to American businesses and workers?

Answer. Improving the protection and enforcement of IPR remains a top priority for this administration. U.S. trade losses due to counterfeiting and piracy in China remain unacceptably high. In addition, a strong intellectual property regime is critical to ensuring safe products for both U.S. and Chinese citizens.

At the December Joint Commission on Commerce and Trade, we made progress in ensuring the use of legitimate software in Chinese Government agencies and delinking the source and origin of IP from Chinese Government procurement preferences. During the January visit by President Hu, China further agreed to strengthen its efforts to protect IPR, including by conducting audits to ensure that government agencies at all levels use legitimate software and by publishing the auditing results as required by China's law.

The specific case you mention with C.F. Martin & Co. is an example of trademark "squatting." Unlike laws in most other countries, including the United States, Chinese law has a "first to file" system that requires no evidence of prior use or ownership, leaving registration of popular foreign marks open to third parties. Under Chinese law, these third parties (squatters) may then bring an infringement action or seek payment from the true brand owner if the owner attempts to use its brand in China. If confirmed as Ambassador, I will work with Chinese officials to update their laws to conform to international norms and alleviate this problem.

More broadly, I am committed to protecting U.S. business interests and will continue to work within established fora such as the Joint Commission on Commerce and Trade (JCCT) and the Strategic and Economic Dialogue (S&ED) to engage the Chinese on protecting and enforcing intellectual property rights in accordance with internationally recognized standards and their World Trade Organization (WTO) commitments.

Question. I believe a top priority in our relationship with China should be the Chinese Government's enforcement of international sanctions against Iran. It is no secret that while China eventually supported U.N. sanctions on Iran, it did so reluctantly and only after it succeeded in significantly watering down the sanctions. According to the State Department's Special Advisor for Nonproliferation and Arms Control, Bob Einhorn, Iran continues to use Chinese companies to procure proliferation-sensitive equipment for its nuclear and missile programs.

- What diplomatic tools does the United States have to press China to reduce its relationship with Iran? As Ambassador, how will you encourage timely responses from the Chinese Government to U.S. requests to stop specific shipments of proliferation concern? As Ambassador, how will you work to convince China to implement stricter export regulations to prevent the proliferation of sensitive items to countries of concern? What steps will you take to convince relevant Chinese companies to sever business ties with Iran?

Answer. The prevention of the spread of nuclear weapons and related technologies is one of the Obama administration's highest priorities. Iran and North Korea were key topics of President Obama's talks with Chinese President Hu Jintao during his January 2011 visit, and we continue to raise the issue at the highest levels. We will also continue to uphold U.S. law and impose sanctions as necessary and warranted. Most recently, the United States imposed a number of sanctions under the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) against Chinese firms and

individuals that engaged in proliferation-related transfers with Iran. In addition, we will continue to implement the Comprehensive Iran Sanctions Accountability and Divestment Act (CISADA), and in that regard, we have urged China to exercise restraint and refrain from making any investments in Iran's energy sector.

China shares the international community's serious concerns about Iran's nuclear program, and has played an important role in the diplomatic efforts to address this threat. China, as part of the P5+1 and U.N. Security Council, contributed to the crafting of U.N. Security Council Resolution 1929. In the January 19, 2011, U.S.-China joint statement, both sides called for full implementation of all relevant U.N. Security Council resolutions. We have been pleased with the unity that China and other P5+1 partners have maintained in our negotiations with Iran, and we continue to jointly insist that Iran comply with its international obligations. China has stated that it is committed to implementing resolution 1929 and the other resolutions on Iran fully and faithfully, but China has stated that it does not support sanctions beyond those contained in UNSCR 1929 and previous UNSCRs on Iran. China agrees with the United States that a nuclear-armed Iran would pose a grave regional and international threat; however, we do not necessarily agree on the timeframe or method to solve the problem. We have worked closely with the Chinese on this issue, and we will continue to raise it at all levels in meetings with China. We continue to emphasize the need for greater urgency in responses to this threat.

Question. The United States has sanctioned 21 Iranian banks for providing financing for Iran's nuclear and missile programs. However, as Acting Treasury Undersecretary David Cohen noted, "Iran has a well-established practice of migrating illicit financial activities from one bank to another to facilitate transactions for sanctioned banks." As international banks throughout Europe are severing their ties with Iranian financial institutions, Iran has turned to Turkish, Emirati, and Chinese banks to evade international sanctions—and there are ongoing reports that Chinese banks knowingly continue to do business with Iran likely in violation of U.S. sanctions.

- What is your assessment of reports that Chinese banks continue to facilitate Iranian financial transactions, in violation of U.S. sanctions? As Ambassador, what will you do to encourage the Chinese financial industry to sever its ties with Iranian firms?

Answer. As Secretary Clinton has said, if we have information about technology or financial transfers that we believe is inconsistent with Security Council resolutions and Chinese laws, we bring such information to the attention of the Chinese Government and request that it immediately investigate and take appropriate action to prevent any prohibited transfers. Furthermore, we do not hesitate to enforce our sanctions laws, as the most recent imposition of sanctions against Chinese entities and individuals under the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) demonstrates. Chinese controls over such transfers remain inhibited by an as yet underdeveloped export control apparatus, weak financial industry controls, and an apparent continued lack of political will to develop a comprehensive control system. President Obama, Secretary Clinton, and other administration officials regularly stress to the Chinese the need for continued Chinese restraint in Iran's energy sector and urge that they slow down existing activities and not conclude any new deals. The administration has also pressed China not to "backfill" by assuming the business of other firms that have responsibly departed Iran's energy sector. We have seen some evidence in open sources that China has exercised some restraint in this area, but we continue to monitor China's activities in the energy sector. As Secretary Clinton has said before, this administration will enforce the law with respect to Chinese firms. If confirmed, I will continue to press these issues in my discussions with Chinese officials.

Question. According to human rights activists in Washington, the Chinese Government's recent crackdown on dissidents is the biggest they have seen in more than 20 years. I welcomed Secretary of State Clinton's May 10 statement denouncing China's human rights abuses and brutal crackdown on antigovernment protesters, which is in large part a response to the wave of unrest that has spread across the Middle East and North Africa. Beijing's detainment of lawyers, artists, and activists serves to highlight the government's ongoing lack of commitment to upholding internationally recognized human rights.

- If confirmed, what steps will you take to encourage China to uphold its human rights commitments and end its brutal crackdown on prodemocracy activists? How does this fit in with the broader United States-China relationship, given China's important role as a trade partner and main holder of U.S. debt?

Answer. The administration has made clear that we have a fundamental commitment to the universal rights of all people, including those in China. Human rights

is a central part of our United States-China bilateral relationship. The United States and China can cooperate on critical global challenges, such as producing balanced global growth, as well as on our bilateral economic and trade concerns, while having candid and direct discussions about the issues where we do not see eye to eye, such as human rights. If confirmed, I will forcefully advocate for the Chinese Government to respect the universal human rights of all its citizens, including those who advocate peacefully for reform.

Question. What signals can the United States send to Chinese dissidents to assure them of our steadfast commitment to universal human rights?

Answer. The U.S. Embassy in Beijing maintains a wide variety of contacts within Chinese society, and if confirmed I intend to engage in broad public outreach to both Chinese officials and the Chinese people and to convey the human rights values for which America stands. Promoting human rights—including freedom of religion, speech, and assembly—is a central objective of our diplomatic engagement with China. If confirmed, I will be a forceful advocate for promoting the respect of universal human rights in China.

RESPONSES OF GARY LOCKE TO QUESTIONS SUBMITTED BY
SENATOR JAMES M. INHOPE

FREEDOM OF RELIGION AND HOUSE CHURCHES

Question. The persecution of “House Churches” has recently come to our attention. Chinese house churches are a religious movement of unregistered assemblies of Christians in the People’s Republic of China. They are also known as the “Underground” Church or the “Unofficial” Church. They are called “house churches” because as they are not officially registered organizations, they cannot independently own property and hence they meet in private houses, often in secret for fear of arrest or imprisonment. Because house churches operate outside government regulations and restrictions, their members and leaders are frequently harassed by local government officials. This persecution may take the form of a prison sentence or, more commonly, reeducation through labor. Heavy fines are also not unusual.

- Do you believe that the opposition of house churches by government officials arises from an ideological opposition to religion and support of atheism or more out of fear of potential disturbances to orderly society from mass mobilization of believers, similar to the Tiananmen Square protests of 1989, and mass protests of Falun Gong members in Beijing in 1999? Do you believe the administration has taken a strong enough approach in integrating religious rights at a systematic and structural level or will our current approach only lead to antipathy and further delays in cooperation on other issues?

Answer. With respect to religious freedom in China, the Secretary of State has designated it a “country of particular concern” every year that such designations have been made. We continue to engage China on its poor religious freedom record, including during the most recent U.S.-China Human Rights Dialogue and the Strategic and Economic Dialogue. The State Department raises cases of concern, including about individual incidents like the Showang Church in Beijing, on a regular basis at senior levels in both Washington and Beijing. If confirmed, I will continue to press the Chinese Government to respect all of its citizens’ right to religious freedom, including for House church practitioners.

Question. If confirmed what will you do to ensure that freedom of religion is assured for Chinese citizens?

Answer. If confirmed, one of my primary roles would continue to be that of a spokesman for America and America’s values, including the freedoms that are the foundation of our great Nation. That includes religious freedom. I will continue to advance the administration’s policy of pressing China to improve its record on religious freedom and to respect the right to religious freedom of all its citizens.

CHINA AND TAIWAN RELATIONS

Question. Presently China has over 1,400 short-range missiles pointed at Taiwan. This explicit threat from the Communist Chinese mainland was foremost in my mind when I addressed a letter to the administration, prior to the visit of President Hu Jintao early this year. In this bipartisan letter, signed by myself and 25 other Senators, I reminded the President of the U.S. commitment to Taiwan’s defense under the Taiwan Relations Act of 1979.

- What assurances can you give me that will ensure that the Communist Chinese Government fully understands not only the legal ramifications but the moral commitment the United States has to guarantee the ability of Taiwan to defend itself?

Answer. First let me note that this administration welcomes the impressive steps both sides of the Taiwan Strait have taken in improving relations. We hope these efforts will continue and expand. The U.S. Government is committed to our one China policy based on the Three Joint Communiques and the Taiwan Relations Act. Our one China policy has been consistent for the past eight U.S. administrations and will not change. If confirmed, I will continue to advance that policy in my interactions with Chinese officials.

The United States has consistently told our Chinese counterparts that, in accordance with the Taiwan Relations Act, the United States makes available to Taiwan defense articles and services necessary to enable Taiwan to maintain a sufficient self-defense capability. We have also consistently said that cross-strait issues should be resolved peacefully in a manner acceptable to people on both sides of the strait and that we oppose unilateral actions by either side to alter the status quo. We urge China to reduce military deployments aimed at Taiwan and to pursue a peaceful resolution to cross-strait issues.

Question. There are rumors that the present Taiwan Government may not fully purchase all items previously agreed for sale by the United States. Should this sale go through to completion however, how will this affect the United States-China relationship, since the Chinese Government reacted so negatively when the arms sales list to Taiwan was announced last year?

Answer. I would prefer not to speculate on the hypothetical. I would simply note that China and Taiwan have made considerable progress in improving cross-strait relations and that we support these efforts and encourage both sides to continue these discussions, and that in accordance with the Taiwan Relations Act, the United States makes available to Taiwan defense articles and services necessary to enable Taiwan to maintain a sufficient self-defense capability. That policy has provided a basis for maintaining security and stability across the Taiwan Strait for decades. Decisions to make available to Taiwan defensive arms and services are considered through an interagency process based solely upon an evaluation of Taiwan's defensive needs.

CHINA AND AFRICA

Question. Africa is the world's second-largest and most-populous continent. Comprised of 53 nations and over 900 million people, it is both rich in minerals and oil. This has not gone unnoticed by the Chinese Government. China has stepped into somewhat of a vacuum, currying favor in both political and strategic alliances across the African Continent

- To what extent do you see China furthering its exploration into the African Continent and to what ends?

Answer. China's overall trade with Africa exceeded \$100 billion last year, with about 89 percent of its imports from Africa consisting of oil, minerals, and other raw materials. With our Chinese counterparts, we have discussed how to diversify and sustain trade, which would not only help Africa but also serve China's own interests.

Question. Is the Chinese interest in Africa purely for the survival and economic interest of the Chinese and not the economic emancipation of Africa?

Answer. China's presence in Africa reflects the reality that it has important and growing interests in Africa including access to resources and markets and development of diplomatic ties. These objectives are not inherently incompatible with U.S. priorities. As the President and Secretary Clinton have both made clear, we do not see power and influence in zero sum terms, and that is true in Africa as well. The United States and other donors are concerned, however, that China's foreign assistance and investment practices in Africa have not always been consistent with generally accepted international norms of transparency and good governance. Despite differences of opinion on certain issues, we believe it is important that our two governments remain engaged and work together to meet the development objectives of African countries. Our approach has been to demonstrate that, through greater cooperation on a wide range of issues affecting Africa, China can meet its responsibilities as a Security Council member in the U.N. while also meeting its economic goals.

CHINA AND AFRICA

Question. Use of soft power diplomacy will continue to be a key driver of China's strengthened relations with Africa and likely to propel China to higher global economic and military influence than it currently commands. The outcome of the growing China-Africa relations is the construction and reconstruction of infrastructure especially roads, water works, and hospitals. China is hand cementing and expending its relations with Africa.

- How far do you think the use of soft power can propel China?

Answer. China enjoys a degree of influence which one might expect from a major trading nation with significant economic ties to most of sub-Saharan Africa. The United States and China have sought to increase our dialogue about Africa in order to improve understanding and seek tangible ways to cooperate through our Africa subdialogue under the Strategic and Economic Dialogue (S&ED). We have also instructed our missions in Africa to reach out to their Chinese colleagues to explore potential areas of cooperation and assess China's overall role in their respective countries.

Question. Does China support African led efforts to develop sound governance and sustainable development throughout the continent?

Answer. The United States and other donors have concerns that China's "no strings attached" practices in Africa have not always been consistent with its commitment to adhere to international norms of transparency and standards of good governance. China adheres to the Paris Declaration on Aid Effectiveness and Accra Agenda for Action. We have made these concerns known to China, including through our Africa subdialogue under the Strategic and Economic Dialogue (S&ED).

HUMAN RIGHTS AND CHINA

Question. I am concerned about the worsening human rights situation in China. In light of the ongoing crackdown on Chinese journalists, dissidents, and intellectuals, I remain disappointed that the administration has failed to integrate these issues into its policy at a systemic and structural level. It is often in the area of economics that human rights concerns are marginalized. Your background gives you a unique opportunity to help broaden the discourse with Chinese interlocutors on the need for political reform.

- What is your view of the language that the administration has used to discuss human rights issues?

Answer. I fully support the administration's candid discussion of the inadequacies that we see in China's human rights record. Both publicly and privately, the administration has been consistent in stating our concerns about the deteriorating human rights situation in China, pressing China to respect its citizens' fundamental rights, and stating that expansion of civil and political rights would ultimately be a source of stability in Chinese society.

Question. How will you contribute to efforts to incorporate human rights concerns into the relationship across the board, including on economic issues?

Answer. I am committed to pursuing a positive, cooperative, and comprehensive relationship with China that is grounded in reality, focused on results, and true to our principles and interests. To keep our relationship on a positive trajectory, however, we must be honest about our differences. We can cooperate on critical global challenges such as producing balanced global growth, while having candid and direct discussions about the issues where we do not see eye to eye, including human rights. If confirmed, I will address sensitive issues in the bilateral relationship and will raise human rights issues and individual cases with Chinese Government officials at the highest levels. If confirmed, I will also be a forceful advocate for promoting the respect of universal human rights in China.

Question. How will you bring other agencies into this discussion?

Answer. Human rights played an important role in both our public and private meetings during the U.S.-China Strategic and Economic Dialogue in May, which included nearly every element of the interagency community. If confirmed, I will continue to support the administration's efforts to make very clear across all the agencies our concerns about the deteriorating human rights situation in China.

Question. Will you work with like-minded governments on these issues, particularly our European and Asian friends and allies?

Answer. If confirmed, I will continue to work with allies and partners to address the inadequacies that we collectively see in China's protection of human rights.

Question. Your predecessor Ambassador Huntsman set a good standard in terms of human rights outreach in China. He spoke publicly and privately about these issues, and met with dissidents and their families, cultivated independent Chinese media outlets, and took other critical steps to both create a supportive climate for these issues within the Embassy and reiterate the importance of these issues to Chinese interlocutors. It should be done even when it seems futile and seems to invite repercussions. Chinese Government intimidation should not cause you to substitute your judgment for that of Chinese dissidents regarding the dangers they are willing to expose themselves to.

- Will you commit to continuing the practice of meeting with dissidents in China and outside of China?

Answer. The U.S. Embassy in Beijing maintains a wide variety of contacts within Chinese society, including with activists who work on a range of issues, and if confirmed I intend to continue such meetings but also to engage in broad outreach to both Chinese officials and the Chinese people to convey the human rights values for which America stands. Promoting human rights—including freedom of religion, speech, and assembly—is a central objective of our diplomatic engagement with China. If confirmed, I will be a forceful advocate for promoting the respect of universal human rights in China.

Question. What other initiatives do you envision taking to engage directly with Chinese people and promote universal values?

Answer. If confirmed, one of my top priorities will be to engage in direct outreach to the Chinese people, including to underscore the importance of respect for universal rights and freedoms. The objective of our public diplomacy is to reach out directly to the Chinese public to promote universal values. If confirmed, I will work closely with the Department's Bureau for Public Diplomacy and Public Affairs and our Mission China officers to ensure that our message reaches the widest possible range of Chinese society.

Question. I am concerned about the dozens of individuals who have disappeared or been detained and sentenced to political crimes because they advocated that the Chinese people should enjoy universally accepted freedoms. There are several cases that have come to my attention, because of the nature of the accused or the charges against them, should be given particular attention. In addition to Nobel Prize winner Liu Xiaobo and artist Ai Weiwei.

- Will you raise the following cases in your testimony before the committee and when you meet with Chinese officials as examples of individuals of concern?
 - Hada: <http://en.rsfs.org/china-authorities-holding-hada-s-wife-10-05-2011,40253.html>
 - Shi Tao: <http://en.rsfs.org/china-information-supplied-by-yahoo-06-09-2005,14884.html>
 - Huang Qi: <http://en.rsfs.org/china-cyber-dissident-huang-qi-kidnapped-12-06-2008,27465.html>
 - Tan Zuoren: <http://en.rsfs.org/china-as-china-justifies-online-10-06-2010,37706.html>

Answer. State Department officials raise individual cases of concern frequently and at all levels, in both Washington and at our Embassy in Beijing and our Consulates General throughout China. The Department urges the Chinese Government to treat detainees and prisoners humanely and in accordance with international standards and to release those detained unjustly. We press upon China the importance of affording all prisoners the protections of due process and transparent and fair legal proceedings. If confirmed, I will continue to emphasize the administration's message calling for the release of prisoners of conscience. I will also speak directly to Chinese leaders and call for the individual release of prisoners such as Liu Xiaobo, Gao Zhisheng, Ai Weiwei, and others such as those mentioned above. I will also engage with the Chinese people directly to convey the universal values for which America stands.

CHINA AND TIBET

Question. Tibetans have been enduring an intensifying crackdown since March 2008, exemplified by the crisis at Kirti Monastery in Sichuan province. Last month, the monastery was forcibly taken over by security forces; 25 monks remain in detention; 300 other monks have been taken away for "patriotic education"; and two laypeople were killed by security forces.

- Will you commit to travel to Tibetan areas, including beyond Lhasa, to seek accurate information in these closed-off areas, and to advocate for the religious, cultural, and human rights of Tibetans?

Answer. The Department of State has urged China to relax restrictions on movements of U.S. Government officials, journalists, and Tibetan pilgrims to and from Tibetan regions. Travel to Tibetan areas, including outside of Lhasa, is an important priority for our Embassy in Beijing, and, if confirmed, I will continue to press to have an opportunity to do so.

Question. Will you continue efforts to establish a U.S. consulate in Lhasa, which was established by the State Department as a priority in 2008?

Answer. The United States and China currently have six diplomatic posts in the other's country. Future post openings are subject to host government agreement, per the Vienna Convention on Consular Relations and our bilateral agreement with China.

The Department sent diplomatic notes in 2008, expressing reciprocal interest in expanding U.S. diplomatic presence in China, with Lhasa at the top of the U.S. list. To date, the Chinese have not responded. The Department remains committed to pursuing a post in Lhasa as a priority, and if confirmed I will continue to work on this objective.

Question. Will you work with the Special Coordinator for Tibetan Issues and her office to ensure that U.S. policy and communications to the Chinese Government are consistent and respect the longstanding two-track U.S. policy of (1) supporting dialogue between the Chinese Government and the Dalai Lama and his representatives; and (2) supporting efforts to preserve the unique cultural, religious and linguistic heritage of the Tibetan people?

Answer. If confirmed, I will work closely with the Special Coordinator for Tibetan Issues and her office to ensure that Tibetan issues are raised frequently and candidly with China's leaders. The Department of State is deeply concerned by the human rights situation in Tibetan areas and by the lack of progress during nine rounds of talks between the Chinese Government and the Dalai Lama's representatives. If confirmed, in consultation with the Special Coordinator, I will support further dialogue between China and the representatives of the Dalai Lama to resolve concerns and differences, including the preservation of the religious, linguistic and cultural identity of the Tibetan people.

CHINA AND TRAVEL

Question. I am troubled with the across-the-board restrictions and policy of selective access that China has applied to travel within China by U.S. diplomats and visiting U.S. Chinese officials have the ability to travel anywhere they want in the United States, and have the freedom to engage in a broad range of Chinese cultural promotion activities on American soil.

- Will you push for greater freedom of movement for U.S. diplomats in China, including travel to "sensitive" areas such as Tibetan areas and East Turkestan?

Answer. I will continue to advocate for greater freedom of movement for U.S. diplomats everywhere in China. The United States can only generate accurate information on developments in China by traveling frequently to all parts of the country and engaging with the people there. With the notable and unfortunate exception of Tibet and some Tibetan areas at "sensitive" times, Embassy officers generally face few restrictions on travel within China. However, they are generally unable to meet with provincial and local Chinese officials or institutions (including universities) unless they obtain approval from the Foreign Ministry and its local offices. U.S. diplomats regularly visit the Xinjiang Uighur Autonomous Region and Tibetan areas outside of the Tibet Autonomous Region to advance the full range of U.S. interests in those areas—particularly the safety and welfare of U.S. citizens. Chargé d'Affaires Robert Wang visited Xinjiang in May. None of these visits were officially approved, and hence U.S. diplomats could not engage with provincial and local officials or universities during their visits.

Travel to the Tibet Autonomous Region is restricted by the Chinese Government, and our official visits are approved on a case-by-case basis and then only rarely. Although then-Ambassador Huntsman was allowed to travel there in September 2010, many other requests have been denied. Visits to Tibetan areas of Sichuan are often denied on the ground by local police although the area is open in principle. This is a serious problem that I will seek to address. The U.S. Government has long pressed for free and full access to the Tibet Autonomous Region for American dip-

lomats and also for Members of Congress and foreign journalists. If confirmed, I will continue to raise this issue at high levels.

Question. How do you plan to push back on Chinese restrictions on legitimate U.S. cultural and educational activities in China?

Answer. Despite some opening up over the last few decades, China remains a challenging environment for the United States to conduct public diplomacy, due in large part to the Chinese Government's ongoing attempts to control the dissemination of information in China. In particular, in recent months, various Chinese authorities cancelled certain planned U.S. mission outreach activities. The Department of State has expressed our objections to these measures to senior Chinese officials on multiple occasions, and has emphasized how such actions impede our stated intention to improve people-to-people ties between our two countries. There has been a resumption of some of these activities in recent weeks.

To address these challenges, the State Department has been pushing for greater access and programming, using the opportunities we find, and protesting obstacles we encounter.

The Embassy has raised this issue repeatedly in meetings with Chinese leaders and other officials, including in both sessions of the U.S.-China High-Level Consultation on People-to-People Exchange (in May 2010 and April 2011). I would also encourage congressional leaders to raise this issue in contacts with Chinese officials as well. If confirmed, I will ensure that we continue to raise the issue. But just as important, I will continue promoting the development of new and innovative programming tools and platforms for reaching out to the Chinese people.

CHINA AND NGOS

Question. There are a number of U.S. NGOs that work in China or provide financial support to Chinese NGOs working on areas considered sensitive by the Chinese Government, such as human rights NGOs and those working in Tibet. In recent years, many of these groups and their in-country partners have come under pressure from the Chinese Government, particularly those who have a U.S. Government funding source, such as organizations that work with the National Endowment for Democracy and its affiliates, and U.S. NGOs working in Tibetan areas.

- Will you be willing to meet and consult with the U.S. NGOs doing sensitive work in China on how the embassy can best support their efforts?

Answer. Yes. If confirmed, I will consult with a wide range of American citizens and organizations that deal with the many aspects of United States-China relations, including human rights. The State Department's Bureau for Democracy, Human Rights, and Labor supports many active and important programs in the rule of law and civil society development, among others. I have already met with Assistant Secretary Michael Posner to discuss his views on human rights in China, and if confirmed, will continue to conduct further consultations, including with NGOs, to learn more about programs and support our common objectives in China.

Question. Should you be confirmed, will you meet with American organizations and individuals that work on human rights in China before you take up your post in Beijing?

Answer. Yes. If confirmed, I will consult with a wide range of American citizens and organizations that deal with the many aspects of United States-China relations, including human rights.

CHINA, THE MACAU SPECIAL AUTONOMOUS REGION AND THE EXPROPRIATION OF U.S.-OWNED VIVA MACAU AIRLINES BY THE GOVERNMENT OF MACAU ON MARCH 28, 2010

Question. The Chinese Communist Government has taken steps over the last decade to encourage the Macau Special Autonomous Region to open itself to foreign investment, to diversify its local economy, and serve as a platform for trade between China and the West. As a result of these initiatives, Macau has received billions of dollars in foreign investment and expertise from the United States, the largest source of foreign direct investment for Macau. This has all helped Macau expand its economy beyond the gaming industry.

However, actions taken in recent months by the Macau Government appear to signal a troubling downward trend in the treatment of U.S. investors. This raises serious questions about the Macau Government's attitude toward foreign investors and the ability of foreign companies to protect their investments. Most glaring among these is the expropriation of U.S.-owned Viva Macau Airlines by the Government of Macau on March 28, 2010.

This expropriation, apparently the first by the Macau Government against property owned by American investors, was recognized in the State Department's March 2011 Report on U.S. Citizen Expropriation Claims and Certain Other Commercial and Investment Disputes and represents not only a serious downward turn for the treatment of investors from the United States in Macau, but also a disregard for international aviation norms.

Viva Macau was denied legal recourse for over 11 months, but Macau's Court of Last Instance has finally ordered a hearing on the merits of Viva Macau's case against the Macau Government; though a fair trial is far from guaranteed. During those 11 months, I along with other Members of Congress have pushed the Chinese Central Government in Beijing and the Government of Macau to respect the rule of law and ensure that such expropriations not occur with such impunity.

Although the United States has limited leverage over the Government of Macau, the Chinese Communists Government obviously does. They oversee Macau's affairs through the State Council's Office of Hong Kong and Macau Affairs and the Foreign Ministry. In particular, I understand that Wang Guangya, the newly appointed Director of the State Council's Office of Hong Kong and Macau Affairs and China's former Ambassador to the United Nations, is the key policymaker with day-to-day responsibility for Macau.

In my letter of February 10, 2011, to Secretary Clinton on this matter, I asked that Ambassador Huntsman raise the Viva Macau cause with Wang Guangya to ensure that American interests in Macau are protected. I believe several other Members of Congress interested in protecting the interest of U.S. businesses and seeking to promote a mutually beneficial United States-China trade relationship have sent similar letters.

- In your potential new role as U.S. Ambassador to China, will you be vigilant in protecting the commercial interests of U.S. businesses injured by Chinese and Macau Government action, including ensuring those U.S. entities seeking remedies before local courts are given a fair trial?

Answer. Developing commercial cooperation with China has been a focus of mine for more than a decade. If confirmed, helping U.S. companies do more business in China and ensuring that Chinese Government policies and actions create a level playing field for U.S. businesses will be a major part of what I do every day as Ambassador.

As the second largest foreign investors in Macau after Hong Kong, U.S. businesses have invested more than \$8 billion in Macau over the past 6 years. As a result, protecting U.S. business interests in Macau is one of the U.S. State Department's top priorities. Regarding Viva Macau, State and Commerce Department officials have met with MKW Capital Management's (MKW) partners and their Washington-based legal advisors Patton Boggs (PB) on numerous occasions since April 2010. U.S. diplomats at our Consulate General in Hong Kong continue to raise the matter with Macau Government officials on a regular basis, including with Macau's Chief Executive. In all such meetings, we have stressed the importance of transparency and due process for U.S. investors in Macau.

The State Department continues to monitor developments in this case closely and understands that Macau's Court of Final Appeal ruled in Viva Macau's favor on February 23 by returning the case to the Court of Second Instance. That Court will have to decide whether there was an administrative act from the government instructing Air Macau to revoke Viva Macau's air operator certificate and, if so, if such an act was legal. State Department officers have explained to MKW that Viva Macau should continue to pursue all local remedies available.

Longstanding U.S. policy toward the Macau Special Administrative Region of the People's Republic of China is to support "one country, two systems" and Macau's autonomy under the Basic Law. Under the Basic Law, Macau has jurisdiction over commercial/economic, legal, and all other matters outside national security and foreign affairs.

Question. Will you commit to raising the Viva Macau issue with the Chinese Government, including with Wang Guangya, and communicating the U.S. Government and Congress' interest in ensuring that Viva Macau is treated fairly by the government and courts of Macau?

Answer. Protecting U.S. business interests in Macau is one of the U.S. State Department's top priorities. Nonetheless, involving the Government of the People's Republic of China in Beijing in the Viva Macau case would, in our view, run counter to longstanding U.S. policy toward Macau, which is to support "one country, two systems" and Macau's autonomy under the Basic Law. Under the Basic Law, Macau has jurisdiction over commercial/economic, legal, and all other matters outside national security and foreign affairs. Therefore, we continue to believe that the best

channel for expressing U.S. concerns to the Government of Macau is through the U.S. Consulate General in Hong Kong, which has responsibilities for Macau. U.S. diplomats at our Consulate General in Hong Kong continue to raise the viva Macau case with Macau Government officials on a regular basis, including Macau's Chief Executive.

Question. Will you ensure that a representative of the U.S. Government attends any future court hearings related to this case to help further stress our interest in this matter?

Answer. State Department officials have met with MKW Capital Management's (MKW) partners and their Washington-based legal advisors Patton Boggs (PB) on numerous occasions since April 2010. U.S. diplomats at our Consulate General in Hong Kong continue to raise the matter with Macau Government officials on a regular basis, including with Macau's Chief Executive. In all such meetings, officers have stressed the importance of transparency and due process for U.S. investors in Macau.

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Question. Should you be confirmed, would you be willing to meet with representatives of Viva Macau Airlines before you depart for Beijing in order to receive a better understanding of its case?

Answer. Longstanding U.S. policy toward the Macau Special Administrative Region of the People's Republic of China is to support "one country, two systems" and Macau's autonomy under the Basic Law. Under the Basic Law, Macau has jurisdiction over commercial/economic, legal, and all other matters outside national security and foreign affairs. The U.S. Consul General in Hong Kong, Ambassador Stephen Young, has chief of mission authority for Macau and is the appropriate person to address issues concerning Viva Macau.

RESPONSE OF GARY LOCKE TO QUESTION SUBMITTED BY SENATOR JOHN BARRASSO

Question. As you know, many U.S. industries have expressed a wide variety of concerns surrounding China's trade practices. Wyoming's soda ash and beef producers are prime examples of industries that have been battered by unfair trade policies.

China continues to provide a 9 percent rebate on its 17 percent value-added tax (VAT) for soda ash exports in an attempt to give their producers an advantage in the international marketplace at the expense of U.S. producers. As a result, I would like to see the Department of Commerce and the U.S. Trade Representative's Office raise this specific issue at the highest levels with Chinese officials at the JCCT meetings this year.

In addition, China's continued ban on U.S. beef imports has allowed Australia to take our place as the leading foreign beef supplier to China by value. The market that was once the 10th-largest for U.S. beef exports has disappeared.

- If confirmed, will you work with the U.S. Trade Representative, Secretary of State, and Chinese Government officials to address these issues?

Answer. I share your concern about the potential detrimental effects of China's export promotion practices.

Soda ash is one of the United States more significant chemical exports, and the issues you have raised are important ones. I concur that these Chinese VAT rebate policies can adversely affect the ability of our producers to compete in third-country markets. Moreover, I appreciate that natural soda ash production processes, such as those that dominate in the United States, are more environmentally friendly and less energy-intensive than the processes used in some countries such as China.

Regarding beef, China's restrictions on U.S. beef are inconsistent with the recommendations of the World Organization for Animal Health. The U.S. Government is in dialogue with the Chinese Government to agree on a beef protocol that is consistent with international standards and is commercially viable. Reopening beef trade with China is a top priority for U.S. ranchers, and we continue to work on resolving this issue.

If confirmed, I will work closely with the U.S. Trade Representative, the Secretary of State and Chinese officials to resolve our concerns with China's export policies and to support the interests of U.S. exporters, including soda ash and beef producers.