

**NOMINATIONS OF THE 113TH
CONGRESS—SECOND SESSION**

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

—
JANUARY 16 THROUGH DECEMBER 2, 2014
—

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

**NOMINATIONS OF MAX BAUCUS, ARNOLD
CHACON, AND DANIEL SMITH**

TUESDAY, JANUARY 28, 2014

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

Hon. Max Baucus, of Montana, to be Ambassador to China
Hon. Arnold Chacon, of Virginia, to be Director General of the Foreign Service
Hon. Daniel Bennett Smith, of Virginia, to be Assistant Secretary of State for Intelligence and Research

The committee met, pursuant to notice, at 10:04 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert Menendez (chairman of the committee) presiding.

Present: Senators Menendez, Cardin, Coons, Durbin, Udall, Murphy, Markey, Corker, Risch, Rubio, Johnson, McCain, and Barrasso.

**OPENING STATEMENT OF HON. ROBERT MENENDEZ,
U.S. SENATOR FROM NEW JERSEY**

The CHAIRMAN. Good morning.

Clearly one of the biggest opportunities before U.S. foreign policy today is getting the relationship between the United States and China, in the context of our rebalance to the Asia-Pacific, right. And I can think of few individuals more able and qualified at this important moment in history than our friend and colleague, the Senator from Montana, to help provide advice and guidance to the President and to Congress about how to get that relationship right.

As you are well aware, China is likely to become the world's largest economy and all of us need to embrace that fact. Six of the world's 10-largest container ports are in China, as are numbers 11 and 12 on that list, which presents tremendous opportunities for American exporters. U.S. exports to China have increased by almost \$40 billion in the past 4 years alone, from \$67 billion to \$106 billion, creating and sustaining millions of U.S. jobs in sectors across the board from automobiles and power generation, machinery, aircraft, and other vital industrial sectors.

Through the rest of the 21st century and beyond, much of the strategic, political, and economic future of the world is likely to be shaped by the decisions made in Washington and Beijing and the capitals of Asia over the next 4 to 5 years.

The key challenge you will face as Ambassador, should you be confirmed—and I am sure you will be confirmed—is how to recognize the strategic and economic realities unfolding with the rise of China. You will play an integral role in reconceptualizing the problems we face and how to turn them into opportunities. In my view, the strategic decision by the Obama administration during its first term, described “as a Rebalance to Asia,” was absolutely right. If confirmed, you will be a central player in conveying a clear message to the entire region that America is an Asia-Pacific player and will be part of the region for the long haul, that we will continue to extend the efforts to rebalance our foreign policy to the Asia-Pacific, making sure the resources are there to work with allies and partners to shape the broader regional environment in the context of China’s rise, that disagreements need not lead to conflict, neither should any of us labor under any false pretense that we are not going to safeguard and promote our national interests, and that we need to work with China and our other allies in the region to construct a new rules-based order for the Asia-Pacific community built on open and inclusive diplomatic, security, and economic mechanisms and institutions.

And so we look forward to hearing from you, Senator Baucus, shortly.

With that, let me introduce the distinguished ranking member, Senator Corker, for his opening statement.

**OPENING STATEMENT OF HON. BOB CORKER,
U.S. SENATOR FROM TENNESSEE**

Senator CORKER. Thank you, Mr. Chairman. I appreciate the way we work together, and I want to thank both of you for being here today: Senator Tester for introducing and, obviously, Senator Baucus for being willing to serve in this way. And I appreciate the relationship we have had in my 7 years here in the Senate. I appreciate the very frank conversation we had in our office about this post that you are getting ready to assume. And again, I thank you for your willingness to do it.

You know, probably the most important—I think you know this—relationship we, as a nation will have over this next decade, will be with China. And my guess is that it is not a relationship that is not particularly well defined. So you will be going to China in a period of time and in a position to really shape that relationship.

Many Americans today wonder whether China is friend or foe, and candidly, you are going to have a big impact on how that outcome emerges. So I think it is an important relationship. I think we should do everything we can to strive to make sure that we complement each other’s countries, and I think you are going to really strive to do so. I know as the Finance Committee chairman, you have worked on so many trade issues, have been an advocate for free trade. And I know you are going to continue to do that in this position, and yet we need to shape it in such a way that the Western values that we care so much about are front and center.

Stability in the region is very, very important, and that is probably an area that you have spent less time on in your post as head of Finance. And yet, with China doing what it is doing right now

in the South and East China Seas, there are a lot of tensions that are being created and obviously new tensions between Japan and China.

So we hope to see greater global integration take place. We have opportunities right now to help shape that as a nation. You will be leading those efforts. And again, I thank you for your testimony, which will take place in just a moment, and your willingness to serve in this way.

So I will stop, Mr. Chairman, and look forward to a very productive session.

The CHAIRMAN. Thank you, Senator Corker.

We are pleased to welcome to the committee a friend and colleague, the junior Senator, soon to be, possibly, the senior Senator from Montana, Senator Tester.

**STATEMENT OF HON. JOHN TESTER,
U.S. SENATOR FROM MONTANA**

Senator TESTER. Thank you, Chairman Menendez and Ranking Member Corker, Senator Murphy. It is my pleasure today to introduce Max Baucus to the Foreign Relations Committee. Max is a legend in Montana. His commitment and his passion for the State is second to none. That is why Montana has trusted him to represent that great State for nearly 40 years.

Max is also a legend in the U.S. Senate. As a longtime leader of the Senate Finance Committee, Max knows the issues affecting our relationship with China better than anyone. Max has been to China eight times. He has led trade and agricultural missions there. He has fought to normalize our trade relations, and he knows the Chinese leadership well.

As chairman of the Finance Committee, Max also knows trade issues inside and out, a skill that will serve him well as he represents our interests to our second-leading trade partner.

Max's commitment to greater economic opportunity has paid off for Montanans and Americans for literally decades. As Ambassador, he will have the opportunity to take his passion, his work ethic, and his knowledge to the next level. If Max is confirmed as the next Ambassador to China, he will join a fellow Montanan overseas. Our current Ambassador to Russia, Michael McFall, also hails from the Big Sky State.

But it is really the footsteps of another Montana legend that Max is prepared to walk in. After 24 years in the Senate, including a record 16 as majority leader, Mike Mansfield became America's Ambassador to China in 1977. As a teenager, Max memorably met Senator Mansfield who became a lifelong mentor to Max. With his deep knowledge of China, international trade, and a work ethic that Senator Mansfield would be proud of, it is my pleasure today to introduce you to Max Baucus.

Finally, I would just say this. It is with mixed emotions today that I introduce to you Max Baucus. As a U.S. Senator, Max has been a friend and a mentor of mine since I have gotten here, since before I have gotten here, in fact. I remember when I was thinking about running for the United States Senate. Max Baucus was one of the first people that I went and visited here in his office in Washington, DC. Max looked at me and said, do you have the fire

in the belly because if you do not have the fire in the belly, do not do it.

I can tell you unequivocally here today Max Baucus has the fire in the belly to be the next Chinese Ambassador, and he will represent this country very well in that capacity.

With that, Mr. Chairman, I introduce to you, Senator Max Baucus.

The CHAIRMAN. Thank you, Senator Tester. We know your schedule, so you are welcome to leave when you feel you must.

Senator TESTER. Thanks.

The CHAIRMAN. Now, Senator Baucus, the floor is yours. Your full statement will be included in the record. Do not hesitate to summarize it as you choose. And, of course, I see your lovely wife is here. If you want to introduce her to the committee as well and any other family or friends, you are welcome to do so at this time.

**STATEMENT OF HON. MAX BAUCUS, OF MONTANA,
TO BE AMBASSADOR TO CHINA**

Senator BAUCUS. Well, thank you, Mr. Chairman.

First, I want to thank my colleague, John Tester. No one could be more lucky than I to have such a good colleague and such a good friend. He is an amazing man.

I would like to introduce my wife, Melodee, and my daughter-in-law, Stephanie. Would you guys please stand so we can see you? Melodee and Stephanie. Stephanie is my daughter-in-law, Stephanie Baucus. And they are just wonderful, wonderful. They are family and mean so much to me. Thank you.

The CHAIRMAN. Welcome to the committee and thank you for your willingness as well. We understand that when our ambassadors go abroad, it is also a commitment of their families. So we appreciate that.

Senator BAUCUS. Mr. Chairman, Ranking Member Corker, members of the committee, it is an honor to appear before you today as President Obama's nominee to serve as the next United States Ambassador to the People's Republic of China.

I thank the President for his support and trust. He is a true friend with whom I have been honored to get to know and work with closely over the years. I also appreciate the support and the confidence of Vice President Biden and Senator Kerry, friends with whom I served here in the Senate for many, many years.

I am also grateful to Ambassadors Jim Sasser, Jon Huntsman, Gary Locke, for their friendship and counsel. These distinguished statesmen, along with many others, have worked hard to build a strong relationship between the United States and China. I am humbled to have the opportunity to expand on that foundation.

The United States-China relationship is one of the most important bilateral relationships in the world. It will shape global affairs for generations to come. We must get it right. If confirmed, I look forward to working with members of this committee and with other Members of Congress to achieve that goal and strengthen ties between our two countries.

My fascination with China goes back 50 years to my days as a college student at Stanford. I was a young man and grew up on a ranch outside of Helena, MT, full of youthful idealism and curi-

osity. So I packed a backpack and took a year off from my studies, hitchhiked around the world. I set out to visit countries I had only imagined: India, Japan, China, just to name a few.

Before I departed, I had never thought about a life in public service, but that trip opened my eyes. I realized how people across the globe were interconnected, how we are all in this together, basically the same values, the same wishes, put food on the table, healthy lives, taking care of our kids. We are all in this world together. We are all interconnected. I saw the vital role America plays as leader on the world stage. We are the leader. I returned to the States with a focus and commitment to a career where I could improve the lives of my fellow Montanans and my fellow Americans.

I came to Washington in 1973 with a goal of working with my colleagues in Congress to address the challenges facing our Nation. Throughout my career, I have tried my best to do just that.

I am proud of the role I played spearheading environmental protection, strengthening America's health and safety net programs, and fighting for Montana. I am especially proud of the work I have done to build ties and foster collaboration between the United States and countries around the world.

In my capacity as Senate Finance Committee chair and ranking member, I led the passage and enactment of free trade agreements with 11 countries: Australia, Bahrain, Jordan, Chile, Colombia, Morocco, Oman, Panama, Peru, Singapore, and South Korea.

My position has also allowed me to travel to emerging and established markets on behalf of the United States. And since 2010, I have been on the ground working to advance U.S. trade interests in Germany, Spain, Belgium, Russia, Japan, New Zealand, Brazil, Colombia, and China.

I have learned some core lessons along the way. One of the most important, I have become a firm believer that a strong geopolitical relationship can be born out of a strong economic relationship, which often begins with trade.

In fact, America's relationship with China began with trade. In 1784, a U.S. trade ship called the "Empress of China" sailed into what is now the port of Guangzhou. That visit opened a trade route that moved small amounts of tea, silk, and porcelain. Today, United States-China trade accounts for more than \$500 billion in goods and services each year.

From my first official visit to China in 1993 to my most recent in 2010, I have worked through economic diplomacy to strengthen ties between the United States and China. I look forward to continuing that work to build a stronger, more equitable economic relationship between our countries.

If confirmed, I hope to accomplish two overarching goals, goals that are critical to our relationship with China and can help achieve our shared interest in a safer, more prosperous world.

First, to develop our economic relationship with China in a way that benefits American businesses and workers.

And second, to partner with China as it emerges as a global power, encourage it to act responsibly in resolving international disputes, respecting human rights, and protecting the environment.

When I visited China in 2010, I met with President Xi Jinping, who was then Vice President. We discussed a range of topics, in-

cluding Chinese current policies, its enforcement of intellectual property rights, its barriers to U.S. exports. I remember President Xi stressing that the United States and China have more common interests than differences. In his words, cooperation between our nations could help drive peace and stability. In fact, he used that word, "cooperation," repeatedly.

Leaders from both sides have recognized that we have much more to gain from cooperation than from conflict. I believe that as well, and I see many areas of our relationship where cooperation is not only possible, it is vital.

China must be fully invested in a global rules-based economic system. Its economy continues to expand rapidly. It grew 7.7 percent last year. And China is the world's second-largest economy and one of our largest trading partners.

So how do we continue to bring China into the fold? By engaging the Chinese through bilateral talks and regional forums. Engagement will allow us to identify shared goals. It will allow us to achieve concrete results.

As Finance Committee chairman, I worked to bring China into the global trade community. I met with Chinese Premier Zhu Rongji in 1999 and pushed to extend permanent trade relations with China and supported its entry into the World Trade Organization. The strategy has already paid dividends.

Last year, China agreed to negotiate a bilateral investment treaty with the United States, one that adopts our high standard approach to national treatment protections. The treaty will mark an important step in opening China's economy to United States investors and leveling the playing field for American businesses. We have much more to do, though.

Cooperation is also critical on geopolitical issues. As China emerges on the global stage, it has a responsibility to contribute more to preserving the regional and global security that has enabled its rise.

The North Korea nuclear issue is just one example where close United States-China coordination is clearly in both sides' interests. And if confirmed, I would work to urge my Chinese counterparts to redouble their efforts to press North Korea to denuclearize.

Countries in the Asia-Pacific have expressed concerns about China's pursuit of its territorial claims in maritime disputes along the periphery. And if confirmed, I will urge China to follow international law in maritime issues and other international standards and stress that all sides must work together to manage and resolve sovereignty disputes without coercion or use of force.

I will continue to make clear that the United States welcomes continued progress in cross-strait relations. I will also encourage China to reduce military deployments aimed at Taiwan and pursue a peaceful resolution to cross-strait issues.

As the United States encourages cooperation with China, it must also remain loyal to the values that define us as Americans. If confirmed, I will urge China's leaders to protect the universal human rights and the freedoms of all its citizens, including ethnic and religious minorities. I will call on Chinese authorities to reduce tensions in Tibet and Xinjiang and restart substantive talks with the Dalai Lama or his representatives without preconditions.

If confirmed, I will not be an Ambassador confined to the Embassy in Beijing. I will be out in the field working to solve the challenging issues facing our two nations and building relations between our two peoples.

I look forward to visiting with the people of China and have the honor to be a guest in their country to listen and to learn from them.

Ambassador Locke has told me of the outstanding team at the Embassy in Beijing and in our consulates across China. If granted the privilege to serve as Ambassador, I will be fortunate to have a dedicated team of hardworking professionals at my side.

Later this week, Chinese and other communities around the world will celebrate the start of the lunar new year. It will mark a time of renewal, of new beginnings. The opportunity to serve as Ambassador will mark a new beginning for me as well, and if confirmed, I will strive to strengthen the United States-China relationship for the benefit of our two countries and the world.

Chairman Menendez, Senator Corker, all members of this esteemed committee, thank you so much for the opportunity to appear before you.

And I will submit my remaining testimony for the record and welcome your questions.

[The prepared statement of Senator Baucus follows:]

PREPARED STATEMENT OF MAX BAUCUS

Mr. Chairman, Ranking Member Corker, members of the committee, it is an honor to appear before you today as President Obama's nominee to serve as the next United States Ambassador to the People's Republic of China.

I thank the President for his support and trust. He is a true friend with whom I've been honored to closely work with over the years. I also appreciate the support and confidence of Vice President Biden and Secretary Kerry, friends with whom I served here in the Senate for many years.

Before we begin, I'd also like to take a moment to introduce my wife, Melodee. My family is the most important thing in my life. I want to thank them for all of their support.

I'm also grateful to Ambassadors Jim Sasser, Jon Huntsman, and Gary Locke for their friendship and counsel. These distinguished statesmen—along with many others—have worked hard to build a strong relationship between the United States and China. I'm humbled to have the opportunity to expand on that foundation.

The U.S.-China relationship is one of the most important bilateral relationships in the world. It will shape global affairs for generations to come. We must get it right.

If I am confirmed, I look forward to working with members of this committee and with other Members of Congress to achieve that goal and strengthen ties between our two nations.

My fascination with China goes back 50 years to my days as a college student at Stanford. I was a young man who grew up on a ranch outside Helena, MT, full of youthful idealism and curiosity. And so I packed a backpack, took a year off from my studies, and hitchhiked around the world. I set out to visit countries I had only imagined—India, Japan, and China, to name a few.

Before I departed, I had never thought about a life of public service. But that trip opened my eyes. I realized how people across the globe were interconnected. And I saw the vital role America plays as a leader on the world stage. I returned to the States with a focus and commitment to a career where I could improve the lives of my fellow Montanans and all Americans.

I came to Washington in 1973 with the goal of working with my colleagues in Congress—both Republicans and Democrats—to address the challenges facing our Nation. Throughout my career, I have tried my best to do just that.

I am proud of the role I played spearheading environmental protections, strengthening America's health and safety net programs, and fighting for Montana. I am

especially proud of the work that I have done to build ties and foster collaboration between the United States and countries around the world.

In my capacity as the Senate Finance Committee's chair and ranking member, I led the passage and enactment of Free Trade Agreements with 11 countries: Australia, Bahrain, Jordan, Chile, Colombia, Morocco, Oman, Panama, Peru, Singapore, and South Korea.

My position has also allowed me to travel to emerging and established markets on behalf of the United States. Since 2010 alone, I've been on the ground working to advance U.S. trade interests in Germany, Spain, Belgium, Russia, Japan, New Zealand, Brazil, Colombia, and China.

I have learned some core lessons along the way. Among the most important, I have become a firm believer that a strong geopolitical relationship can be born out of a strong economic relationship, which often begins with trade.

In fact, America's relationship with China began with trade. In 1784, a U.S. trade ship called the Empress of China sailed into what is now the port of Guangzhou. That visit opened a trade route that moved small amounts of tea, silk, and porcelain. Today, U.S.-China trade accounts for more than \$500 billion in goods and services each year.

From my first official visit to China in 1993 to my most recent trip in 2010, I have worked through economic diplomacy to strengthen ties between the United States and China. I look forward to continuing that work to build a stronger, more equitable economic relationship between our countries.

If confirmed, I hope to accomplish two overarching goals that are critical to our relationship with China and can help achieve our shared interest in a safer, more prosperous world.

- First, to develop our economic relationship with China in a way that benefits American businesses and workers.
- Second, to partner with China as it emerges as a global power and encourage it to act responsibly in resolving international disputes, respecting human rights, and protecting the environment.

When I visited China in 2010, I met with President Xi Jinping, who was then the Vice President. We discussed a range of topics, including China's currency policies, its enforcement of intellectual property rights, and its barriers to U.S. exports. I remember President Xi stressing that the United States and China have more common interests than differences. In his words, cooperation between our nations could help drive peace and stability. He used that word—cooperation—repeatedly.

Leaders from both sides have recognized that we have much more to gain from cooperation than from conflict. I believe that as well, and I see many areas of our relationship where cooperation is not only possible, but vital.

For example, China must be fully invested in the global rules-based economic system. Its economy continues to expand rapidly—it grew 7.7 percent last year. China is the world's second-largest economy and one of our largest trading partners.

So how do we continue to bring China into the fold? By engaging the Chinese through bilateral talks and regional forums. Engagement will allow us to identify shared goals. It will allow us to achieve concrete results.

As Chairman, I worked to bring China into the global trade community. I met with Chinese Premier Zhu Rongji in 2000, and pushed to extend permanent trade relations with China, and I supported its entry into the World Trade Organization. The strategy has already paid dividends.

Last year, China agreed to negotiate a bilateral investment treaty with the United States that adopts our high-standard approach to national treatment protections. The treaty will mark an important step in opening China's economy to U.S. investors and leveling the playing field for American businesses.

It's also critical for the United States and China to work together to develop a shared understanding of acceptable norms and behavior in cyber space, including a cessation of government-sponsored cyber-enabled theft of intellectual property. Such behavior hurts China as well as the United States, because American businesses are concerned about the cost of doing business in China. If confirmed, I will work with Chinese counterparts to ensure meaningful actions are taken to curb this behavior so that it does not undermine the economic relationship that benefits both of our nations.

As the largest energy consumers, greenhouse gas emitters, and renewable energy producers, the United States and China share common interests, challenges, and responsibilities that cut across our economic, national security. Last year our countries announced new commitments to work together on climate change and clean energy. During Vice President Biden's last visit, for example, our two governments volunteered to undertake fossil fuel subsidy peer reviews this year. If confirmed, I

will endeavor to build on our existing cooperation with China, including collaborative projects on energy efficiency, smart grids, transportation, greenhouse gas data, and carbon sequestration.

Cooperation is also critical on geopolitical issues. As China emerges on the global stage, we believe it has a responsibility to contribute more to preserving the regional and global security that has enabled its rise.

The North Korean nuclear issue is just one example where close U.S.-China coordination clearly is in both sides' interests. If confirmed, I would work to urge my Chinese counterparts to redouble their efforts, along with us and our partners in the 6P process, to press North Korea to denuclearize.

Countries in the Asia-Pacific region have expressed concerns about China's pursuit of its territorial claims in maritime disputes along its periphery. If confirmed, I will urge China to follow international law, international rules, and international norms on maritime issues, including by clarifying the international legal basis for its claims. I will stress that all sides must work together to manage and resolve sovereignty disputes without coercion or the use of force.

I will continue to make clear that the United States welcomes continued progress in cross-strait relations and remains committed to our one China policy based on the three joint communiques and the Taiwan Relations Act. I will also urge China to reduce military deployments aimed at Taiwan and pursue a peaceful resolution to cross-strait issues in a manner acceptable to people on both sides of the strait.

As the United States encourages cooperation with China, we must also remain loyal to the values that define us as Americans, including our commitment to universal values, human rights, and freedom.

If confirmed, I will urge China's leaders to protect the universal human rights and freedoms of all its citizens, including ethnic and religious minorities. I will call on Chinese authorities to allow an independent civil society to play a role in resolving societal challenges; take steps to reduce tensions and promote long-term stability in Tibet and Xinjiang; and restart substantive talks with the Dalai Lama or his representatives, without preconditions.

The free exchange of information, including over the Internet, is essential to the growth of modern societies. Yet in China, we have witnessed a government crackdown on free expression that is limiting areas of domestic debate. If confirmed, I will work to convince China that open debate and the free flow of information is in its own interest, enabling the type of creativity and innovation that will lead to a more stable and prosperous society.

I also look forward to visiting with the people of China. I would be honored to be a guest in their country—to listen and learn from them. If confirmed, I will not be an ambassador confined to the Embassy in Beijing. I will be out in the field, working to solve the challenging issues facing our two nations and building relations between our two peoples.

Ambassador Locke has told me of the outstanding team at the Embassy in Beijing and in our consulates across China. If granted the privilege to serve as Ambassador, I will be fortunate to have a dedicated team of hard-working professionals at my side. I will do everything possible to ensure that the dedicated officers and staff working at the U.S. mission in China have the tools and support they need to continue performing the important work of the United States abroad.

Later this week, Chinese and other communities worldwide will celebrate the start of the Lunar New Year. It will mark a time of renewal and new beginnings. The opportunity to serve as Ambassador will mark a new beginning for me as well. If confirmed, I will strive to strengthen the U.S.-China relationship for the benefit of our two countries and the world.

Chairman Menendez, Ranking Member Corker, thank you for this opportunity to appear before you today. I welcome the opportunity to answer your questions.

The CHAIRMAN. Thank you, Senator Baucus, for that pretty comprehensive introductory statement, and your entire statement will be included in the record.

Let me start off. You are extremely well versed in all of the economic, trade, and related issues. And I think as someone who has had the privilege of sitting on the Finance Committee under your chairmanship, I have seen that firsthand. But as you recognized in your opening statement, this is a pretty comprehensive portfolio with China. And in that regard, I would like to visit with you on one or two things.

One is China continues to refer to a new type of great power relationship, and I wonder what you think China means by that. Is that China laying down a marker for saying, hey, we have a greater say in our back yard, so to speak? And what should America's counter be? Should we even be using that phrase? What are your views on that?

Senator BAUCUS. Mr. Chairman, as you have said in your opening statement and I in mine, a view that is shared by all members of this committee and Congress, most who think about this question, it is imperative that we, America, be deeply involved in the Asia-Pacific. The rebalancing mentioned by our President and others referred to I think is critical. It is because the United States and Chinese interrelationship is so valid to solving problems not just in China and America but worldwide.

China talks about a new relationship. I think it is always interesting and somewhat helpful to talk about new relationships, to look forward, to try to find something new and something fresh like the Chinese new year, the first of any new year. But China's interpretation of the new relationship, as I understand it, says its core interest is one which I think we should be very wary of. As I understand China's interpretation of the new relationship and focusing on its core interests, it is frankly one that suggests that China take care of its own issues in China, whether they are human rights issues or whether it is Taiwan, the Senkaku Islands, Diaoyu in their version, in the South China Sea. That is essentially a version where China takes care of its part of the world and the rest of the country takes care of their parts of the world. That is not an approach that makes sense to me. It is not an approach which makes sense, I am sure, to the President, although we have not talked specifically about this.

The approach that makes sense is for the United States to urge China to be a full member of, and to participate fully in, the United Nations rule of law, to resolve issues according to international rule of law principles and norms. And that includes work with the United Nations with respect to North Korea, the United Nations with respect to Syria, Iran. It means open skies, open seas, to maintain security in the world. Half of the commercial tonnage shipped in the world today across the Strait of Malacca and the South China Sea—it is extremely important that the United States stays engaged in the world and helps work with China. And the approach to China should be it is very simple. It is one that is positive, that is cooperative. We work to constructive results about one grounded in reality. We stand up for our principles. We stand up for our principles, but as we work and engage China.

The CHAIRMAN. Senator Baucus, there are a couple of areas on the economic front and the security front that are, I think, critically important, and I would like to get your commitment to the committee that once you are confirmed and in Beijing, that you will work toward these goals.

One is the question of cyber security and theft, which of course has been part of the strategic dialogue that has been had between the administration and the Chinese leadership.

The other one is intellectual property. A 2013 American Chamber of Commerce China survey found—and I was there this past Au-

gust and talked to them about this—that 72 percent of respondents said that China’s IPR enforcement was either ineffective or totally ineffective. And the U.S. International Trade Commission estimated that U.S. intellectual property-intensive firms that conducted business in China lost over \$48 billion—billion dollars—in sales, royalties, and license fees in 2009 because of IPR violations.

So can you commit to the committee that upon your confirmation, these are areas that you will work to improve with our Chinese counterparts?

Senator BAUCUS. Thank you, Mr. Chairman. I absolutely will. As you asked the question—and I thought about this before. When I sat where you are now in the Finance Committee, I have asked many questions along those lines of witnesses of the administration. Why are you not doing more to protect intellectual property, get going here, get moving? It now dawns on me that as a member of the administration, I am going to have to, along with others in the administration, do what we can to address intellectual property theft. It includes not only trademarks and other traditional IP, but also it is cyber theft. It is industrial espionage, which obviously is becoming more rampant. I have heard figures that are even greater than the ones you mentioned. It is a huge problem.

And it is really an opportunity for the United States to keep reminding China that China has benefited so much by our open rules-based economy, and China will benefit more in the future the more China protects its own intellectual property and follows more rules-based solutions to its economic and political problems. It is a huge issue and you have my commitment, if confirmed.

The CHAIRMAN. And finally, I appreciate you raising us standing up for our principles because I think in any relationship, one that is honest, straightforward, but that stands up for our principles is important. And while we obviously are fixated on the economic challenges and opportunities, on the relationship to engage China in a rules-based system that ultimately observes international norms as disputes seek to be resolved, the question of human rights, the question of Tibet where your immediate two predecessors, Ambassadors Huntsman and Locke, went to visit Lhasa, Tibet, I hope you will do the same when you have that opportunity. The question, as we celebrate the 35th anniversary of the Taiwan Foreign Relations Act. These are standing up for principles that make it very clear that we seek to engage, we seek to find cooperation, but that we will also stand up for some fundamental human rights issues and imperatives that I think are important. And I am glad to hear it in your statement, and I look forward to seeing it in your actions as Ambassador.

Senator BAUCUS. Thank you, Senator.

The CHAIRMAN. Senator Corker.

Senator CORKER. Thank you, Mr. Chairman.

Again, thank you for being here today and for your opening comments and our prior meetings.

I know we talked just a little bit in our office about some of the security situations, and I know you are very aware that China has recently named an air defense identification zone that overlaps with commonly known Japanese territory. And under article 5 of

our security agreement with Japan, we would come to their aid if certain provocations occurred there.

I know you have had a lot of briefings with the administration in preparation for this. And again, I know it is an area that has been outside, generally speaking, of the great trade issues and other kind of things you pursued in Finance. But what is your sense of what China intends by taking these steps that they have recently taken?

Senator BAUCUS. Senator, I think the best approach, if confirmed, one I will pursue, is I will do all I can to reduce tensions in the East China Sea. It is unfortunate that China set up the ADIZ. The United States has not recognized nor confirmed that action. And I think that it is important for the United States to let China know that so as to discourage other potential actions that China may take.

Having said that, it is a delicate relationship between China and Japan. And it is, I think—and I have done this frankly with the Prime Minister when I was recently in Japan—to counsel caution, counsel reduced tension, counsel to back off here a little because otherwise we run the risk of a major dispute, of a major problem where, if tensions are high, there could be a miscalculation or easily a miscalculation. It is important, again, to remind China that it is in China's best interest to maintain a peaceful Asia-Pacific, including the East China Sea, because if relations deteriorate significantly, that will inure to the detriment of all countries involved, in this case primarily China, primarily Japan, but also Korea and other Asian nations in the Asia-Pacific. And it is just in everyone's interest to just reduce the tension, and that is an effort I will undertake.

Senator CORKER. On December the 5th in the South China Sea, a Chinese warship crossed right across the bow of the USS *Cowpens*. I know that Chinese officials have been critical of our "pivot to Asia" with many of the comments that they have made. Again, what is your sense of what they were attempting to do with that episode?

Senator BAUCUS. Well, Senator, if I knew, I am not sure I would be sitting here. It is hard to know exactly what China's intentions at that time were.

I suspect that China was probing a little bit, pushing a little bit, seeing how far it could go. That is very risky. That is very dangerous. There was bridge-to-bridge communication between the *Cowpens* and the ship, the frigate, that crossed the bow of the *Cowpens*, as well as the aircraft carrier that was somewhat in the vicinity.

But it raises the point of the importance of engagement at all levels. In this case, we are talking about military to military. Our Government is attempting to ramp up military-to-military exchanges with China at various levels. It is fairly rudimentary at this point. We have a lot further to go, but everything begins with a first step somehow somewhere, and this is I think very, very important. I speak to Admiral Locklear, for example, and others. They explain to me what they are trying to do. And I, if confirmed, will do what I can to encourage the Chinese to follow up at a next higher level.

That is important in many ways, to encourage transparency with the Chinese and with American transparency, to encourage more communication at military levels so that it eventually, at higher levels, a U.S. commander can get on the telephone and talk to a Chinese commander. What is going on here? What is up here? If they know each other in advance, the communication channels are set up, it is going to help. It is not going to solve all the problems, but it is going to help.

And the rebalancing that I think is very appropriate is one that engages China at all levels. It is not just military. It is economic. It is political. It is human rights. And I believe, as we all know as people who represent our States work to get stuff done, that the more we can talk to people, even if we are just talking about their kids, just talking to people, getting to know them better and make it regular, more and more often the more likely it is that we are going to develop trust and better understand each other to minimize misunderstandings and minimize adverse actions that otherwise would take place.

So I believe that we will just keep working at it. We have no choice. Keep working at it and we will make some headway here.

Senator CORKER. I know that somebody is going to bring up—I would hope anyway—the issue relative to journalists in China. We were there recently and met with a number of journalists that were concerned about what now is actually happening there. And I am sure you will address that at some point through questions here from the dais.

One last question and then I would like to make a brief statement.

What are the areas, Senator Baucus, that you think are the best suited for improvements between us and China at present, today? You know, when you get over there, in the very first days of being there, you are going to begin to set an agenda. Where do you think the areas of improvement best lie?

Senator BAUCUS. Well, Senator, I mentioned two, broadly, in my statement. One is pursuing economic relations and the second is the overall geopolitical.

I do think that economic, commercial efforts do help significantly. By that I mean the more we can have an actual level playing field in China, the more American businesses are actually able to do business in China in a nondiscriminatory way, where China does not discriminate, whether it is their regulations, whether they are denying access for whatever reason. The more that Americans are engaging Chinese people, engaging Chinese companies, whether more importantly it is the private sector, the more that helps because the goal here is to get us talking to each other, getting to understand each other and know each other.

Now, people counsel me, if I have the opportunity and the privilege and if confirmed, to come up with two or three main initiatives. And I am working on that right now. I do not want to, at this point, be presumptuous and say what they might be. It would be a bit premature. But I do not want to be, if confirmed, an ambassador that just has his talking points and goes around and meets with all different folks in China just parroting the talking

points and so forth. Rather, I want to be one, if confirmed, to make a difference.

Senator CORKER. I actually had just a comment I would like to make, and I will be very brief.

As I mentioned, we had a good meeting in our office. And I think the administration has been long on making statements, you know, like a new era of power relations or a pivot, without much definition or policy to go behind that. I do not think you are the type of person to take direction from some 25-year-old at the White House calling you and telling you what to do, which I know oftentimes happens in these positions.

So for that, I am very upbeat about the fact that you are taking this position. I think you have shown independence. And I just would ask you to take full advantage of the fact that I do not think the administration has a defined policy toward China, to take advantage of that, develop one that really allows us, over this next decade, to have the kind of relationship, both pro and con, with China to help shape their future, but also to build on the economic opportunities that our Nation has and to strengthen the security issues that we both are going to have to deal with.

So I thank you for this. I look forward to your service. I look forward to your continued independence in this position, and I look forward to seeing you on the ground there. Thank you.

Senator BAUCUS. Thank you, Senator. If I might first thank you. I read your April statement focused on security, which I deeply appreciated and agree with you and will work to follow up with the points you made in that statement.

But second, I am part of a team here working for the President and this administration. And I will do everything I can to help implement administration policy.

Senator CORKER. You can help them most by showing strength as an ambassador and developing that policy, which I hope you will do.

The CHAIRMAN. Senator Cardin.

Senator CARDIN. Well, thank you, Mr. Chairman, and Senator Baucus, thank you for your extraordinary public service and your willingness to continue that public service as our Ambassador in China. I want to thank Mel and your family, because this truly is a family commitment, for your willingness to continue to serve our country. This is a critically important position, the Ambassador to China.

You have already heard mentioned by my two colleagues many issues. Our relationship with China is complex, and there are a lot of important matters.

As the chair of the Subcommittee on East Asia and the Pacific, I was in China last year and had a chance to meet with many of the government officials. And I agree with you. People to people are critically important. I found the meeting with the students to perhaps be some of the most enlightened discussions that I had, and they had already met with U.S. students that were over there, and I think that had a great impact on a better understanding between our two countries.

Clearly, the economic issues are very, very important. I could not agree more with your statement about dealing with intellectual

property and the chairman's comments about intellectual property and the amount of theft that goes on in that country. China needs to have confidence in its own people and its own creativity.

And the currency manipulation is a matter that has to be dealt with. And I concur in that.

And the security issues are critically important. Maritime security and China's unilateral declaration was extremely unhelpful. And we will get to some of these other issues.

But I want to bring up the matter of human rights. The chairman mentioned it. And your statements are what I would have hoped to have heard, and I thank you for that. My concern is will good governance and human rights be always on the table in our discussions with China. This is a country in transition. They have made a lot of progress. Recently they decided to—we will see if they carry it out—eliminate the reeducation labor prisons. I hope that is the case. That is a step in the right direction. They have opened up some of their system allowing people some opportunity.

You mentioned the Tibetan Buddhists or the Uighur. The discrimination against minorities goes to any minority—any minority—in that country. From the point of view of trying to practice your religion, you cannot do it. They will not let you. So many of the Chinese people are held back because of where they are born, not really having any opportunity for advancement. The journalists are absolutely being denied. The United States Embassy's Web site was even compromised by the Chinese Government for being able to get out information.

So I just really want to underscore the importance of the statement you made that representing not just U.S. values but international values of good governance so that American companies that want to compete and work in China can get a fair deal. They do not have to worry about whether there is an implied problem with dealing with a local government official that they are not allowed to participate in that puts them at a disadvantage.

So can you give us that assurance that good governance, human rights will always on the agenda of your discussion as our Ambassador?

Senator BAUCUS. Senator, you have that assurance. It is extremely important.

I am very proud of an action I took a good number of years ago. When I was in China, I met with the then-President, Jiang Zemin, and raised with him and asked him to release a dissident in Tibet. He said I did not know what I was talking about basically. But I went to Tibet, went to Lhasa and raised the same point there. And sure enough, within about 2 or 3 weeks, this person was released. And I do not know what I had to do with it, but I raised the point strongly a couple—three times—because I thought it was so important and was very heartened with the results.

Protection of human rights is the bedrock. It is the underpinning of American and world society. We have some blemishes in our country, but we are the leader in human rights. People look to America, look to America to lead on so many issues, including protection of human rights, religious freedoms, freedom of the press, all the rights that are enumerated in the universal declaration. It is what most progress springs from.

And the answer is, "Yes", Senator. You have my commitment.

Senator CARDIN. I thank you for that strong statement.

I want to mention one other area where you are going to have a special interest in dealing with, and that is breathing the air over in China. When I was there—I do not know what the chairman's experience was—I was there for 3 days. There was not a cloud in the sky, but I could not see the sun.

When we tried to deal with climate change in the past, we have always been concerned as to whether China would also do its fair share. Well, we have China's attention right now. This is a problem they cannot hide from because people see that China must do a much stronger job in reducing their carbon emissions.

How do you see working with China to provide universal leadership so that we can have responsible policies to deal with carbon emissions?

Senator BAUCUS. Senator, we are making some headway. We have a lot more to do. Recently Vice President Biden met with Counselor Jiang Ze Xi to put together a climate change working group addressing several points. One is pollution from heavy, larger automobiles. Second is building efficiencies through different finance incentives. Another was the smart grid systems. It is basically technologies that the Chinese can use that we can help provide and work with them to help achieve their objective.

The point you made is obvious. It is the air pollution. I have seen up to a million people die in China a year due to air pollution.

Senator CARDIN. I might point out you are responsible for the safety of our personnel that are there.

Senator BAUCUS. That is correct.

Senator CARDIN. They have to breathe that air. Literally they have to have breathing devices on certain days. I mean, I think it is critically important not just for the safety of Americans that are in China. It is obviously a universal issue. And as Ambassador you can make progress in that regard.

Senator BAUCUS. No question. Thank you.

Senator CARDIN. Thanks, Mr. Chairman.

The CHAIRMAN Thank you.

Senator Rubio.

Senator RUBIO. Thank you.

Congratulations. Your appointment comes at a pretty exciting time and place in terms of the issues that are going on with regard to China. Their growth in their economy and their influence in the world is really an amazing development to watch from a historical perspective.

And by the way, I would just share, as I did with you on the phone when we spoke about this. And I think the President has said this. Our policy is not to contain China. On the contrary, I think we see a growing economy that we can be trade partners with, a billion people we can sell our products and our services to. We look, hopefully, to a China that uses its increased influence and its military capabilities to be a partner in addressing some of the global issues that our world confronts. Just think about how much easier the issue of Iran and North Korea and Syria would be if China were engaged in a positive way in trying to influence the direction of that.

But there are also some real challenges, some of which have been highlighted here today. In particular, I think the Chinese use the term "the new model of major country relations." And it seems that the way, at least, they define it right now is that, No. 1, the United States would basically begin to erode or abandon some of its regional commitments that it has made to places like Japan and the Philippines and Taiwan and even South Korea to some extent.

And the other is something you will hear them often say. In fact, I think at Davos Senator McCain was asked this question by someone in the audience. Why is the United States always interfering in the internal affairs of other countries? And when it comes to China, that usually is this issue of human rights.

The late Ambassador, Mark Palmer, in a book, "Breaking the Real Axis of Evil," argued that United States ambassadors in places like China should be freedom fighters and that United States embassies should be islands of freedom open to all those who share the values of freedom, human rights, and democracy.

You have begun to answer that question here today, and it was asked on some specific topics. But do you agree that the United States Embassy in China should be an island of freedom and that one of your primary jobs there will be demonstrating to China's peaceful advocates of reform and democracy that the United States stands firmly with them?

Senator BAUCUS. Going to your earlier point, Senator, I read your speech in Korea. I thought it was very perceptive and it made points which I would like to work on with you.

Clearly the United States symbolically is an island of freedom. You asked to some degree the specific question, should it apply physically to the Embassy. That is a question I am going to have to take back and work with the administration on. I do not know the administration policy precisely on that point, but I will determine to find it. My basic principle is you bet. We are there to stand up for human rights and freedoms generally in the world. But with respect to your specific question, let me take that back.

Senator RUBIO. Well, just as you do take that issue back, I think you will find broad consensus on this committee and I hope in the administration that our embassies should be viewed as an ally of those within Chinese society that are looking to express their fundamental rights to speak out and to worship freely, et cetera.

On that point, the Chinese Government has detained over 1,000 unregistered Christians in the past year. They have closed what they term illegal meeting points. They have prohibited public worship activities. And additionally, by the way, unregistered—and this is amazing—Catholic clergy—unregistered with them—that remain in detention. Some have even disappeared.

I would ask would you be open, if you are confirmed, to attending a worship service in an unregistered Catholic or Protestant church within China.

Senator BAUCUS. Senator, I am going to do my very best to represent our country constructively, seriously engage, and listen in a way which I think is most effective. I will take actions which I hope accomplish that objective.

With respect to where I go and do not go, that is a matter of judgment, and it is one I am going to be thinking about very carefully about where I go and where I do not go.

The goal here is to be effective. A major goal, as we discussed here today, is the protection of human rights, probably the bedrock, fundamental goal because so much springs from that. And it is a goal that I will espouse fully and use whatever way I can to accomplish that goal effectively.

But let me not answer that directly because I do not know the degree to which that makes sense at this point. First of all, I am not confirmed. I am not there. And this is frankly not a point that I have discussed with the administration, but I will take that back too.

Senator RUBIO. And I am respectful of the reality that in order to have the operating space to be effective, you do not want to necessarily be in direct and constant conflict with the host government. On the other hand, there comes a point, I would argue, Senator—and I hope you keep this in mind—where that effectiveness cannot come at the expense of the fundamental rights of the people of that country and in particular what we stand for as a nation.

And I would just caution that, again, as you see the Chinese attitude toward some of these issues, their attitude basically is mind your own business on these issues. If you want to have a good relationship with us, you need to stop speaking out on these grotesque human rights violations. And I hope it never becomes the policy of the United States to look the other way on these issues for the purpose of achieving a more friendly operating environment because that, I hope, is not the definition of this new model of major country relations.

I think if the Chinese are willing to use their new-found economic and even military abilities to be a productive member of the global community, committing themselves to things like freedom of navigation, respect for human rights, I think that would be an extraordinary development for mankind. If, on the other hand, this new-found power is used to turn their neighbors into tributary states and to continue to impress people within their own country, I think we have a big problem and a major, major challenge.

I know you need to go back to the administration on some of these issues, but I hope this is not a matter of debate. I hope that it is clear that we want a good relationship with China but not at the expense of the fundamental human rights that define us as a nation and as a people. And I think you are going there at a very unique time where freedom activists in that country are looking for an advocate and a spokesperson that will stand with them strongly. They look to America to be that, and you have a unique and historical opportunity to do that and I hope it is one that you will embrace.

But thank you.

Senator BAUCUS. I appreciate that very much. Thank you.

The CHAIRMAN Senator Coons.

Senator COONS. Thank you, Chairman Menendez.

I want to thank Senator Baucus for your 35 years of remarkable service to this body and this institution and express my confidence that, Senator, you could not have found a better nominee—Presi-

dent Obama could not have found a better nominee in the United States Senate. Your long work and leadership on the important and difficult trade issues that will dominate much of your service as Ambassador—I hope you are swiftly confirmed—makes you, I think, a great representative for the United States, and your grounding in our values and your appreciation of the difficulties and the tension between advocating for human rights and for our values while still addressing the issues of real concern to our home States and to our country's future. I think you are very well grounded in the challenges ahead.

We both come from meat-producing States. Lots of beef comes from Montana. Lots of poultry comes from Delaware. And it is my hope that you will keep at the head of your agenda open access to the market of China.

Let me, if I could, speak to two intellectual property issues and then to one regarding Africa.

There have been some real changes recently in China's trade policy that are creating real barriers to innovations in biotechnology in the American agricultural sector particularly in grain. And if confirmed, I am hoping you can speak to how you would use your position as Ambassador to work with USDA and USTR to address the important issue of innovations in biotechnology and how we harmonize and sustain a good relationship with China. What sort of time will you invest in that particular area?

Senator BAUCUS. Senator, it is an issue that has become of greater concern—the recent actions you just referred to. I think the answer to some degree is just to keep pushing but especially with respect to sound science because there are too often countries—and China is one—which limit agricultural products for political reasons, not reasons based on science. And I think the more we can point out what the science is and that the poultry that is attempted to be introduced into China from your State is perfectly safe, it is fine, and to keep pushing, to keep talking.

It is my experience, frankly, with respect to another product, in this case beef, with other countries, South Korea and Japan, just keep talking, keep pushing over and over and over again. And finally, we are at the point where both Japan and South Korea take a lot more American beef. They are not 100 percent yet, but huge progress from where they were about 10–15 years ago. So I will push strongly.

Senator COONS. Thank you.

I have heard similar concerns. Our second-largest agricultural product is corn, and I have heard similar concerns broadly, nationally from corn growers.

Let me move to ways in which the Chinese Government has used their anti-monopoly law and recent actions by their National Development Reform Commission to extract concessions from American companies, even those that do not operate in China, in terms of making concessions in patent cases. The standard they are suggesting is that any United States company that files a patent infringement lawsuit against a Chinese company will then be barred from their market and coerced to make concessions whether it is in patent law or trade secrets or other areas. If you would just speak briefly to the importance you attach to strengthening the in-

tellectual property regime within China and continuing to make progress on their respect for IP rights here in the United States.

Senator BAUCUS. Senator, I do not know if you were here, but earlier I explained how often on the other sided of the dais I pushed so strongly for the administration to do a better job of protecting intellectual property worldwide, often China. And now that I am on this side of the table, I have got to put my money where my mouth is and do something about it, at least working with the administration to do the best I can. I will push, obviously, as strongly as I possibly can.

But it is important for China to understand—and I do not mean to be presumptuous here—that the more China goes down that road under its antimonopoly law, the more it is going to hurt its economy, the more it is going to hurt the living standards of people in its own country. And China, like all nations, has a lot of issues it has to deal with internally, and a lot of them are economic. There is environmental. There is pollution, but there are also economic issues within China. The Chinese people and the country of China in the long run will be a lot better off the more they open up, the more there is more transparency, and the more the playing field is actually level. It is extremely important that that also is a point we make over and over again. We could compete. Chinese companies can compete, but we want a level playing field.

Senator COONS. Thank you.

My last question will be about exactly that, a level playing field. Africa—as you know, I chair the Africa Subcommittee here in Foreign Relations—is I think a continent of immense importance to the United States, to China, and to the world as the greatest storehouse of remaining mineral reserves for the world. The recent discoveries of oil and gas and minerals all over the east coast, the west coast have sparked a real aggressive move by China to take a dominant position in access to Africa's natural resources. In fact, they have eclipsed the United States as the leading trading partner for Africa, and their dramatic investments in infrastructure and in economic development are often done in ways that are not on a level playing field, concessionary loans and relationships that do not follow the same trading rules that we do. And frankly, to the extent we try to advance a values agenda in Africa that promotes human rights and open society and commitment to democracy, we often find ourselves in some real tension with the Chinese and how they are pursuing their interests on the continent.

It is my hope that as Ambassador you will seek ways that we could partner with the Chinese constructively and positively in some countries like South Sudan and Sudan where they could play a positive role, but you will also hold up this vision of fair trade, of a level playing field moving forward.

If you would, just speak to your concerns about the Chinese role in Africa and how you think as Ambassador you might add to the forward movement we need to see here.

Senator BAUCUS. Frankly, Senator, with respect to Africa, I have a little bit to learn. I see the press reports—we all do—of Chinese investment in Africa and the concerns that you have just outlined. And we will push for, obviously, rules-based, value-based investment. If China wants to invest in Africa, that is fine. That is Chi-

na's right and should, just as we should. But I also think we Americans—American businesses—look for ways to invest more aggressively in various African countries.

I will keep your point very firmly in mind, Senator, and go back and try to find a better answer.

Senator COONS. I am confident that your rich and deep experience and long service here has equipped you better than anyone who could possibly be nominated, and I look forward to your service. And I am grateful for you and your family and for everything you have already given this country.

Senator BAUCUS. Thank you, Senator.

Senator COONS. I am confident your service will be exemplary. Thank you.

The CHAIRMAN Thank you.

Senator JOHNSON.

Senator JOHNSON. Thank you, Mr. Chairman.

I would like to join Senator Coons in thanking you for your past service to the country and your willingness to serve in this capacity.

I also appreciate the time you spent with me yesterday, and I enjoyed the conversation.

As a business person, I always seem to frame these issues from a businessman's perspective. Taking a look at our relationship with China, to me it seems like just one long, ongoing negotiation. And one of the things I certainly learned in negotiating in business was I first like to understand the motivation of the person I am negotiating with and then I like to spend a lot of time on the front end figuring out what we agree on before we get into the areas of disagreement. So I kind of want to structure my questioning along that framework.

Again, in our meeting you said you have been to China a number of times on different trade missions and you have met with a lot of leaders. How would you assess their motivating factors? What motivates Chinese leadership?

Senator BAUCUS. Senator, I think like most leaders in most countries they want to do well, provide for their people, but also people like their jobs and want to do what they can to provide for their people but also undertake actions so they do not lose their jobs, frankly. My experience is basically yours. Often though, to be honest, when I talk to leaders worldwide, it is because I do not know them well, it is hard to get past the pleasantries and get past the talking points. It takes a lot of time to get past pleasantries and talking points that one does get past only when one is able to spend quite a bit of time with that person.

In this case, if I am fortunate enough to be confirmed, theoretically I have a lot of time to spend with a lot of different people in China and do my best to figure out which ones are the most effective, which ones will make the most difference so that I can be most effective. That is going to be a goal of mine.

And I agree with your general approach, just figure out what you agree on, put that aside, mark that as progress as it is progress, and figure out what you do not yet agree on. But then the next point is to, when you are talking, try to understand the other person's assumptions, the other person's premise, asking questions,

just listening because the more you ask questions, positive questions, nonadversarial questions, and try to figure out where they are coming from, the more likely it is you are going to find little insights and new ways to find a solution here.

My approach in this job since I have been here in the United States Senate has been to do my very best to work with Senators on both sides of the aisle to get results, just be pragmatic, and that would be my approach here, too, to just do the best I can, listening, being forthright. I am the kind of guy, too, who likes to talk straight. This is what it is and not be angry about it. This is just what it is. This is what we can do, this is what we cannot do, and to listen and to convey the impression that we want to solve problems.

Senator JOHNSON. I appreciate that. And I tend to agree and I hope it is true that their primary motivating factor is improving the condition of the people of China.

But then let me ask a question. So what do you think would motivate them to initiate the air defense identification zone? How does that further that goal?

Senator BAUCUS. Senator, I am no real expert on China, but it is my strong belief that Chinese people are just as proud as we Americans are proud. I think, unfortunately, the Chinese leadership has taken advantage of that pride to test America in the South China Sea or the East China Sea, and it means we have got to stand up. It is the old thing in life, being fair but firm, be fair to show that you can work with people and they can trust you but firm, uh-uh, we are not going to be taken advantage of. And that is vitally important here for the United States in my judgment.

And we would be fair but firm by engaging them in a constructive conversation, for example, with respect to the Senkakus, say uh-uh, we do not recognize that, the ADIZ, but kind of cool it, calm it. The same with the South China Sea, say we do not countenance potential air defense identification zones in the South China Sea. That is not a good thing to do for a lot of reasons. Our basic is that our national security is No. 1 to us, as their national security is to them, but also our commercial, economic security is so important not just to the United States but also to China and other countries in the world. Half the tonnage travels through the Strait of Malacca and the South China Sea, and it is vitally important that that commerce continue so that companies can grow and prosper.

So in answer to your question, I cannot really tell you the motivation of the Chinese leadership, but I can tell you that the approach that we should take, if confirmed, is one that I will pursue, namely constructive engagement, talking but standing up, positive, constructive engagement grounded in reality and make sure they understand both sides of that. It is constructive and positive but also grounded in reality. And I think the general rebalancing to the Asia-Pacific is important, but again, it is at all levels. It is not just military but also economic and political.

Senator JOHNSON. I would just like to quick hear your thoughts on—I think the latest figures, China owns or holds \$1.3 trillion worth of U.S. Government debt. What are your thoughts on that? From my standpoint, the primary problem with that is if anybody holds \$1.3 trillion of U.S. Government debt. But can you just kind

of give me your thoughts in terms of the potential dangers of that or positive aspects?

Senator BAUCUS. Yes. Well, the biggest concern, frankly, is that anyone holds so much of our debt. It is important to get our debt down.

Actually the percentage of United States debt that is held by China I think is pretty small, smaller than most people think, but nevertheless, it is very important. The real key here is to get our trade imbalance down so that China is not continuing to accumulate such currency reserves. That is the big point here, so they are not then, therefore, investing so much in U.S. treasuries.

Senator JOHNSON. Well, thank you.

Thank you, Mr. Chairman.

The CHAIRMAN Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

Max, one of the issues that affects my State and is going to affect a lot of the IT industry in America is the Chinese Government with their propensity to subsidize businesses that are supposed to be competing in the open market, but as we all know, as soon as the government starts subsidizing, the market lists badly.

The chip industry and particularly the prices have been volatile over the years because of different governments' subsidies of their own industries. I am speaking now of Micron Technology, which is one of Idaho's largest private employers. Their success has been up and down because of other governments' interference with a free market price for chips.

You are probably aware that the Chinese Government is spending billions to prop up their semiconductor industry, and indeed, they are finalizing a policy right now to provide additional government support for that. That is going to harm U.S. producers that are out there in the marketplace trying to do the right thing as far as producing semiconductors. What are your thoughts on that? What can you do about that as far as reining back the Chinese efforts in that regard?

Senator BAUCUS. Well, Senator, it is a big problem. The United States Government is undertaking some actions. We have seven actions before the World Trade Organization with respect to China, most of them revolving around the Chinese Government subsidizing favored industries, SOV's for example, and it is important that we follow up on those actions.

The new bilateral investment treaty, which is not finalized yet, will help. China is engaging with the United States and has agreed to a bilateral investment treaty which recognizes national treatment which helps. We have been spending a lot of time trying to get China to sign up to the procurement agreement it earlier agreed to when it entered the WTO. It has not yet fully signed on to the procurement agreement because the terms it wants to sign up with are inadequate. They are insufficient. And we just keep chipping away. No pun here. Keep working at the problem here. This bothers me, Senator, as much as it does you.

Senator RISCH. Thank you much. I appreciate your commitment to that because this is—the size and the magnitude of the Chinese Government and the economic power that they have is a real problem. And I am glad to hear your commitment to that, and I would

urge you to urge them in the strongest terms that they have got to compete fairly in the marketplace or there are going to be some serious problems.

Let me turn to another product that is close to my State and to your home State and that is beef. We have been working hard to try to get the Chinese to accept U.S. beef. And I am very concerned about the difficulties in the East and South China Seas are going to cause problems with these negotiations that we are having. And I know you touched on that, but I wondered if you could comment just a little bit about your thoughts as far as the upheaval and us trying to get the Chinese to open their markets to U.S. beef.

Senator BAUCUS. You have my commitment, Senator. I have worked very hard on this with respect to South Korea and Japan, and I am now starting to try to get China to take our beef. China does not take much American beef right now.

The potential disturbances in the East China Sea and the South China Sea are extremely concerning. However, I do believe that with very strong, measured, statesman-like discussions with China, we can minimize the potential adverse development in those two oceans.

But you have my commitment to work on beef.

Senator RISCH. Thank you so much, Senator. I appreciate that.

The CHAIRMAN Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Max, we congratulate you and look forward to, at our arrival at the Beijing airport, seeing you.

Senator BAUCUS. If confirmed, I will be there with warm greetings.

Senator MCCAIN. I look forward to that. I am sure Chairman Menendez will appreciate that.

Obviously, we are supportive of your nomination.

I must say I am a little concerned at some of your answers. It is not that the Chinese are proud as we are proud. It is not that the Chinese want to keep their job. It is not that we can work things out with China, which we can. But it is not that they are proud people. It is not that they are wanting to keep their job.

The Chinese leadership has a sense of history that they believe that the last 200 years was an aberration and that China has to be the leader and the dominant force in Asia. And you have to appreciate that if you are going to deal with them. And the fact is that the South China Sea has implications which could lead to another "Guns of August," and their aggressive behavior, whether it be a near collision with a United States ship or whether the imposition of the ADIZ or whether it be many of the other actions they have taken are part of a pattern of their ambition to dominate that part of the world.

I suggest one guy you go see in Singapore is Lee Kwan Yew. I suggest to you that he will give you the perspective of China and their ambitions and their behavior and what you can expect from them because he knows them better than anybody. And I will tell you what he will tell you. He will tell you that the Chinese will say, well, we will take the western Pacific and you can have the eastern Pacific. The construction and acquisition of an aircraft carrier is a statement of a desire to be able to project power.

The role that China is playing in Asia today should be of great concern to all of us, not to mention the fact that they have continued to repress and oppress and to practice human rights violations on a regular basis in Tibet, and the tensions between China and India on the China-India border continue to be ratcheted up. The more penetrations of China across the border between China and India are real.

So we have to understand that this is not a matter of being proud as we are proud. This is not a matter of they want to keep their job. This is a matter of a rising threat or challenge to peace and security in Asia because of the profound belief of the Chinese leadership that China must and will regain the dominant role that they had for a couple thousand years in Asia. And unless you understand that, you are going to have trouble dealing with them. Well, you are going to have trouble dealing with them effectively.

That does not mean we preach confrontation. That does not mean that we believe that a clash is inevitable with China in Asia. But the best way to have that be prevented is a close alliance with our friends in Japan, with China, and the countries in the region that are now united because of the threat that China poses to them with their aggressive behavior in the South China Sea and the East China Sea.

When the United States of America ran two B-52s over the area after the declaration of the ADIZ, I thought that was great until they then advised American airliners to observe it. What if the Koreans want the same thing? What if other countries want the same thing? We are seeing a time of rising tensions in Asia, and unless you understand Chinese ambitions and Chinese perspective and view of history and recognize that they are continuous human rights abusers on a daily basis, then I think you will have difficulty being an effective representative in this very important job.

And you may disagree or agree with my comments, but I do not base my comments to you on John McCain's opinion. I base it on the opinion of every expert on Asia that I know of in China, and that is that there is a growing tension, there is a growing threat of another "Guns of August," and there is a need for us to not only make the Chinese understand that there are boundaries but also to work more closely with the other nations in the region, whether it be Vietnam or the Philippines or Indonesia or other countries that the Chinese, because of their hand-fisted behavior, have united in a way, the likes of which I have never seen or anticipated.

I would be glad to hear your response.

Senator BAUCUS. Thank you, Senator.

I do not disagree with you. You make very important points which I largely do agree with. I applauded the B-52s flying over the ADIZ. I thought that was a very important message the United States send. It was the right thing to do.

And I have met twice with Lee Kwan Yew. On the way over again, I hope to talk to him again. He is a very, very important man. No question.

Senator MCCAIN. And by the way, one more.

Senator BAUCUS. Yes.

Senator MCCAIN. I would check in with Kissinger also.

Senator BAUCUS. Yes, he is on my list. We are scheduled to meet very soon actually.

Your point is basically, I think, accurate. It is kind of the old thing in life: you hope for the best; assume the worst. And it is just important for us to maintain our alliances and firm them up with the countries you have mentioned, and there are some others.

But the overarching goal here for us as a country, I think, is to engage China with eyes wide open, to try to find common ground. We have talked about the military-to-military exchanges. There are other things we can do to help minimize a potential confrontation, say, in the South China Sea. I am a realist. Believe me. And I understand the version of Chinese history which you have just espoused, and it has a large ring of truth to it. But as we work with China, as I said earlier several times, it is going to be grounded in reality. No. 1 is the United States of America, we find a relationship with China where we can make some headway.

And I do believe how we manage this relationship—we are very much determined that living standards of Americans and Chinese and other people in the world—we have got to get this relationship right. But if we work with China, we stand tall. We protect our rights, maintain our friendships and our alliances and keep our naval fleet strong over there so that we can protect our interests but in a way that for us is nonconfrontational too. We just have to work together the best we can, standing up for our rights.

Senator MCCAIN. Thank you, Mr. Chairman.

The CHAIRMAN Senator Barrasso.

Senator BARRASSO. Thank you, Mr. Chairman.

Senator Baucus, congratulations to you, to your family. Congratulations.

Senator BAUCUS. Thank you, John.

Senator BARRASSO. You have had a chance to talk a little bit about trade issues and concerns. A number of others have asked the question regarding specifically China's trade practices. As I have discussed in this committee before, soda ash continues to face significant trade barriers around the world. The United States is the most competitive supplier of soda ash in the world due to the abundance of this in this country. Green River Basin in Wyoming is the world's largest-known deposits of this naturally occurring trona. It is a component of glass, detergents, soaps, and chemicals.

In May 2007, you specifically hosted a meeting with members of the Finance Committee with the Chinese Vice Premier at the time, Wu Yi. And at that time, my friend and predecessor, U.S. Senator Craig Thomas, was undergoing treatment for leukemia. He was unable to attend the meeting with you as a member of the Finance Committee. But on his behalf, you specifically hand-delivered a letter written in both English and Mandarin from him to the Vice Premier that asked China to eliminate their value-added tax rebate on soda ash exports. I am grateful for your assistance.

In July 2007, China actually eliminated their 13-percent value-added tax rebate on soda ash exports. Very welcome news in this country.

Unfortunately, on April 1 of 2009, so 2 years later, China re-instituted a 9-percent value-added tax rebate for soda ash exports.

So I would just ask, if confirmed, to serve as our Ambassador to China, if you will work to highlight and eliminate market-distorting subsidies like the value-added tax rebate on soda ash exports that I believe harm U.S. workers and producers.

Senator BAUCUS. You bet, Senator. I remember that exchange back then. Madam Wu Yi is a very impressionable person. And I am sorry that the value-added rebate was reimposed, and I will do my best to get that turned around again.

Senator BARRASSO. You also raised the issue of beef, and I know Senator Risch has talked a bit about beef. U.S. beef producers take great pride in providing a healthy and safe product. The United States exported \$5.5 billion in beef sales across the globe this past year. And I am concerned about the U.S. beef industry, as I know you are, continuing to face what is to me an unscientific trade barrier with China. In 2003, China banned all U.S. beef exports after the discovery of a BSE-positive cow in the State of Washington. Prior to 2003, the United States was China's largest beef supplier.

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.

In 2011, you and I both signed a letter, along with 36 Senators, to the Secretary of Agriculture and to the U.S. Trade Representative on the need to take steps to eliminate these unscientific trade barriers to U.S. beef exports. Recently there have been articles indicating that China may ease some restrictions on imports of U.S. beef, but we do not have details. We do not have timelines. And I believe this issue needs to be raised at the highest levels with Chinese officials.

I would ask you what immediate action, if you have anything planned that you would do with this, and would you work with our U.S. Trade Representative and our Secretary of State and the Chinese Government officials to address this issue?

Senator BAUCUS. Senator, I certainly will. I care a lot about beef.

Senator BARRASSO. I know you do.

Senator BAUCUS. We will make some headway here.

Senator BARRASSO. I am curious, Senator. Did you have any conversations with the Governor of Montana prior to your nomination about the appointment of your replacement to the Senate?

Senator BAUCUS. I have not.

Senator BARRASSO. Any conversations with your former chief of staff, Jim Messina, prior to your nomination about your successor?

Senator BAUCUS. I have not.

Senator BARRASSO. Thank you, Senator.

And thank you, Mr. Chairman.

Senator BAUCUS. Thank you.

The CHAIRMAN Well, Senator Baucus, I think you have had a full exposition of the issues that you are going to be facing and I think you have acquitted yourself extraordinarily well, which is no surprise to those of us who know you.

It is the intention of the chair to hold a business meeting, a markup, next Tuesday. That will depend upon questions for the record being answered. The record will remain open until noon tomorrow. I would urge you, if you do receive questions for the

record, to answer them as expeditiously as possible so that we could proceed with your nomination.

Senator BAUCUS. Thank you.

If I might, Mr. Chairman, if I am fortunate enough to be confirmed, I meant what I said in my opening remarks, that is, I want to work with you and the committee on issues that are important to the committee and to keep a dialogue and a conversation going.

The CHAIRMAN We appreciate that commitment.

With that, Senator Baucus, you are excused.

And we are going to call up the next panel. We have two nominees before the committee: the Honorable Arnold Chacon, of Virginia, to be Director General of the Foreign Service; and the Honorable Daniel Bennett Smith, of Virginia, to be the Assistant Secretary of State for Intelligence and Research.

We are going to ask the members of the audience who are leaving to please do so quietly so we can begin the next panel.

With that, to both Ambassador Chacon and Mr. Smith, your full statements will be included in the record without objection. We would ask you to summarize those statements in around 5 minutes or so and then to have a dialogue with you after that. So we will start off with you, Ambassador Chacon.

**STATEMENT OF HON. ARNOLD CHACON, OF VIRGINIA,
TO BE DIRECTOR OF THE FOREIGN SERVICE**

Ambassador CHACON. Thank you, Mr. Chairman, distinguished members of the committee. I am honored to be here today before you as President Obama's nominee to be the next Director General of the Foreign Service and Director of Human Resources at the Department of State. I deeply appreciate the confidence the President and Secretary Kerry have shown in nominating me for this key position.

I am pleased to have the opportunity to advance American diplomacy through strengthening the Department of State workforce. If confirmed, I look forward to directing the recruitment, hiring, assignment, welfare, professional development, promotion, and retirement processes of the Civil Service, the Foreign Service, and our locally employed staff and other colleagues who work at the Department of State.

Mr. Chairman, if I may, I would like to take a moment to introduce my wife, Alida, who is also a member of the Foreign Service. And I am also pleased that my daughter, Sarah; brother, Michael Chacon; and my brother-in-law, Michael Fonte, could be here today as well.

My wife Alida and I have had the privilege of serving together with our three children throughout Latin America and Europe, as well as in a number of positions in New York and in Washington, DC. And as a Foreign Service family, we care deeply about promoting the U.S. interests abroad and the future of the Department and its people.

Secretary Kerry said, "Global leadership is a strategic imperative for America, not a favor we do for other countries. It amplifies our voice, it extends our reach. It is key to jobs, the fulcrum of our influence, and it matters to the daily lives of Americans. It matters

that we get it right for America, and it matters that we get it right for the world.”

Mr. Chairman, diplomacy and development are ever more important to safeguarding national security and prosperity of our people in the United States because if we can successfully manage or solve problems diplomatically, we save the lives and money that would otherwise be spent in dealing with conflict.

I believe the men and women of the Department of State are among the most talented, loyal, and hardworking people I have ever met. They and their families deserve the best possible support. And if confirmed, I will work hard to equip them with the training, tools, and supportive personnel policies they need to fulfill our critical mission.

Mr. Chairman, I would like to acknowledge and express my sincere gratitude for your perseverance and unwavering support for increasing minority recruitment and retention. As my predecessor before me, I pledge to work closely with you to achieve a more diverse workforce. I have personally seen, Mr. Chairman, that as our embassy teams engage with foreign audiences, our support of the American values of social inclusion and freedom resonates far better when they see that we walk the talk by employing a workforce that includes people of all cultures, races, and religions drawn from across the United States. With innovative outreach and bold action, the Department of State is making inroads that will help us reach our diversity goals.

The Foreign Service represents the United States around the world at embassies, consulates, and increasingly at less traditional missions where diplomatic skills play an important role in promoting our priorities and safeguarding our Nation. The Department remains focused on filling positions in priority staffing posts—our embassies and consulates in Iraq, Afghanistan, Pakistan, Yemen, and Libya—while ensuring that we adequately staff our other posts around the world and advance major initiatives in such areas as economic diplomacy, food security, energy security, climate change, and nuclear nonproliferation.

If confirmed, I will work with others in the Department to ensure that all employees have the support they need to serve in these high-stress assignments and to cope with the pressures such service places on them and their families.

While the Department’s Foreign Service employees spend most of their careers overseas, the Civil Service employees provide the institutional continuity and expertise in Washington, DC, and in offices throughout the United States. The Civil Service has an admirable record of volunteering for service in Iraq and Afghanistan and in hard-to-fill positions overseas.

The Department of State has also expanded its use of limited noncareer appointments to meet urgent needs, including unprecedented visa adjudication demand in Brazil and China. Backlogs for visas in China and Brazil have been eliminated, facilitating international travel for business and tourism for 1.8 million Brazilians who visited in 2005 and nearly 1.5 million Chinese which, according to Department of Commerce calculations, helped create approximately 50,000 new jobs in the United States.

Our 46,000 locally employed staff represent the largest group of employees of the Department of State and an essential component of our teams around the world. They often serve under dangerous and challenging circumstances with sometimes hyperinflated currencies, and they continue to help advance our Nation's goals. If confirmed, I will continue to build on the concept of one team/one mission.

I was proud to learn from the Partnership for Public Service that the State Department placed 4th among 19 large Federal agencies in the 2013 Best Places to Work rankings. If confirmed, I will do all that I can to make State an even more attractive employer.

In closing, Mr. Chairman, I am pleased to have the opportunity to address you and the members of the committee. If confirmed, I ask for your help in strengthening the security and prosperity of America by leading and building an effective civilian workforce in the Department of State. I look forward to helping the Secretary to ensure that we are prepared to do just that.

Thank you, and I look forward to your questions.

[The prepared statement of Ambassador Chacon follows:]

PREPARED STATEMENT AMBASSADOR ARNOLD A. CHACON

Mr. Chairman and distinguished members of the committee, I am honored to appear before you today as President Obama's nominee to be the next Director General of the Foreign Service and Director of Human Resources for the Department of State. I deeply appreciate the confidence the President and Secretary Kerry have shown in nominating me for this key position.

I am pleased to have the opportunity to advance American diplomacy through strengthening the Department of State workforce. If confirmed, I look forward to directing the recruitment, hiring, assignment, welfare, professional development, promotion, and retirement processes of the Civil Service, Foreign Service, Locally Employed Staff, and other colleagues who work at the Department of State.

Mr. Chairman, for over 30 years, I have had the pleasure of working with highly motivated Department of State employees serving both overseas and domestically. I am excited about the prospect of helping to ensure that my colleagues are ready and able to meet the diplomatic challenges of today and tomorrow.

Mr. Chairman, I would like to take a moment to introduce my wife, Alida, who is also a career member of the Foreign Service. We have had the privilege of serving together with our three children throughout Latin America and Europe, as well as in a number of positions in Washington, DC. Growing up in Colorado, I learned from my parents the values of justice, compassion, and service to a cause greater than myself. My family gave me a moral compass based on love of God and country, which has guided my life. My wife and I share these values with our children. As a family, we care deeply about promoting U.S. interests abroad and the future of the Department and its people.

The global environment has changed over the past several decades. The world has become more interconnected, but also more dangerous. I believe that our approach toward managing our workforce also must evolve. Diplomacy today requires flexibility, creativity, and a diversity of ideas that reflect the conscience of America in deploying the talents of all of our people to ensure success in an ever more complex environment.

As Secretary Kerry has said, "Global leadership is a strategic imperative for America, not a favor we do for other countries. It amplifies our voice, it extends our reach. It is key to jobs, the fulcrum of our influence, and it matters to the daily lives of Americans. It matters that we get this moment right for America, and it matters that we get it right for the world."

The Department and its diplomats are, in the words of Secretary Kerry, "an enormous return on investment. Deploying diplomats and development experts today is much cheaper than deploying troops tomorrow."

Diplomacy and development are ever more important to safeguarding national security and the prosperity of our people and the United States, because if we can successfully manage or solve problems diplomatically, we save the lives and the money that would otherwise have to be spent in dealing with conflict. Today, as the

United States and the world face great perils and urgent foreign policy challenges, we must use all of the diplomatic, economic, political, legal, and cultural tools at our disposal, along with military tactics when needed.

Like Secretary Kerry, I believe that the men and women of the Department of State are among the most talented, loyal, and hard-working people I have ever met. They and their families deserve the best possible support. If confirmed, I will work hard to equip them with the training, tools, and supportive personnel policies they need to fulfill our critical mission.

The increase in personnel through the Diplomacy 3.0 hiring surge over the last 5 years has had a major, positive impact on diplomatic readiness. First, the mid-level staffing gap, a result of reduced hiring in the 1990s, is shrinking. Our overseas vacancy rate has dropped from 16 percent to 10 percent. Second, we have a strong commitment to provide training, particularly in foreign languages. In the last fiscal year, 79 percent of employees assigned to language-designated positions met or exceeded the proficiency requirement. And third, we have been able to support new and important initiatives, from Economic Statecraft, which promotes efforts by U.S. companies and foreign investment and leads to jobs and opportunities here at home, to the empowerment of women politically, socially, and economically around the world.

Our mission has also grown significantly. Our responsibilities overseas continue to expand, as does our presence. In recent years, we opened a new Embassy in South Sudan, and a new consulate in China; in Brazil, we have plans to open consulates in Belo Horizonte and in Porto Alegre. The Department has also added three new domestic bureaus to strengthen our expertise and diplomatic efforts in the fields of energy, counterterrorism, and conflict and stabilization operations. If confirmed, I will seek your support for staffing increases that are critical in meeting the President's foreign policy objectives.

I will continue our hard work to hire, develop, and retain a diverse, skilled, and innovative workforce—one that truly represents America. As Secretary Kerry has said, "Our commitment to inclusion must be evident in the face we present to the world and in the decisionmaking processes that represent our diplomatic goals." I would like to acknowledge and express my gratitude for your unwavering support for increasing minority recruitment and retention. As my predecessor before me, I pledge to work closely with you to achieve a more diverse workforce. I have personally seen that as our embassy teams engage with foreign audiences, our support of the American values of social inclusion and freedom resonates far better when they see that we "walk the talk" by employing a workforce that includes people of all cultures, races, and religions, drawn from across the United States.

The Department's Diversity and Inclusion Plan provides a useful framework for action, but we have a ways to go. We continue to seek ways to reach out toward new audiences. After learning that many underrepresented groups rely heavily on mobile communications, the Department developed and released "DOSCareers," a mobile app that educates and engages aspiring Foreign Service candidates and others to familiarize them with diplomatic careers. Launched in March and available on Google Play and the App Store, this app expands our outreach to these populations and helps candidates link up with our DC-based recruiters, as well as our 16 Diplomats in Residence at colleges across the United States, learn about upcoming recruitment events, and even practice for the Foreign Service Officer Test. I was delighted to learn that in the first few months, DOSCareers had more than 10,000 downloads. With innovative outreach and bold action, we can make the inroads that will help us reach our diversity goals.

The Foreign Service represents the United States around the world—at embassies, consulates, and, increasingly, at less traditional missions where our diplomatic skills play an important role in promoting our priorities and safeguarding our Nation. Throughout history, there has always been a need for diplomats, but now, as we face issues such as terrorism, violent extremism, and widespread economic instability, the need is greater than ever.

The 14,000 members of the Foreign Service and 11,000 Civil Service employees are vital to America's national security. They play essential roles in: advancing peace, security, and freedom across the globe; pursuing economic opportunity overseas; creating jobs at home; and protecting Americans from the dangers posed by drug trafficking, weapons proliferation, and environmental degradation.

Mr. Chairman, operations at our high-threat posts are increasingly demanding and changing. The Department remains focused on filling positions in priority staffing posts (PSPs)—our Embassies and consulates in Iraq, Afghanistan, Pakistan, Yemen, and Libya—while ensuring that we adequately staff our other posts around the world and advance major initiatives in such areas as economic statecraft, food security, energy security, climate change, and nuclear nonproliferation. The Depart-

ment expects to fill more than 700 jobs in these five PSP countries in summer 2014. Since September 2001, the number of unaccompanied positions overseas has increased from 200 to more than 1,000. We are asking our diplomats to serve in more difficult and dangerous places, increasingly without the company and comfort of living with their families.

If confirmed, I will work with others in the Department to ensure that all employees are fully trained, prepared, and compensated for the mission we have assigned them, and that they have the support they need to serve in these high-stress assignments and to cope with the pressures such service places on them and their families. This support must include the requisite staffing, training, and accountability to provide our employees the world over with the safest possible working conditions. In this regard, full implementation of Foreign Service overseas comparability pay continues to be a top priority.

While the Department's Foreign Service employees spend most of their careers overseas, our Civil Service employees provide the institutional continuity and expertise in Washington, DC, at passport agencies, Diplomatic Security field offices, and other offices throughout the United States.

Civil Service employees contribute to accomplishing all aspects of the Department's mission, encompassing human rights, counternarcotics, trade, environmental issues, consular affairs and other core functions.

The Department of State is broadening the experience of its Civil Service workforce by offering opportunities to serve in our missions abroad. This flexible approach not only helps close the mid-level gaps resulting from the below-attrition hiring of the 1990s, it also provides employees with additional development opportunities that expand their knowledge and experience base. The results of such workforce flexibilities have been very positive and we hope to expand these in the future.

The Civil Service has an admirable record of volunteering for service in Iraq and Afghanistan and in hard-to-fill positions overseas. If confirmed, I will continue to build on the concept of "one team, one mission," to ensure that Civil Service employees are well trained, and that we benefit fully from their skills.

The Department of State has also expanded its use of limited noncareer appointments (LNAs) to meet unprecedented visa adjudication demand in Brazil, and China. Backlogs for visas in China and Brazil have been eliminated, facilitating international travel for business and tourism that in turn will help boost our economy. In fact, according to the Department of Commerce, every additional 65 international visitors to the United States generate enough exports to support an additional travel and tourism-related job. As a result of our increased staffing in Brazil and China, nearly 1.5 million Chinese and 1.8 million Brazilians visited in 2012, helping to create approximately 50,000 new jobs in the United States.

Our 46,000 Locally Employed (LE) Staff represent the largest group of employees in the Department of State and are an essential component of our 275 embassy and consulate teams around the world. LE Staff fulfill many functions critical to our overseas operations, and we could not accomplish our mission without them. Our LE Staff often serve under dangerous and challenging circumstances, with sometimes hyperinflated currencies, and they continue to help advance our Nation's goals, even as they have endured the same 3-year pay freeze as American Federal Government workers. We want to provide them with the very best support. If confirmed, I will strive to properly recognize their contributions to our missions and U.S. interests by ensuring, to the extent that our budget allows, that their compensation keeps up with market trends and attracts the best and the brightest.

I was proud to learn that Washingtonian magazine just named the State Department as one of the "Great Places to Work" for 2013, noting that "employees at the State Department feel that their work makes a difference in foreign affairs, helping to make the world more secure." We also ranked in the top five in the Partnership for Public Service's 2013 "Best Places to Work in the Federal Government" survey, placing fourth overall and second in strategic management among the 19 large Federal agencies. A poll of liberal arts undergraduates placed State among the top three ideal employers because we provide the opportunity to do challenging work, make a positive difference in people's lives, and develop skills. If confirmed, I will do all that I can to make State an even more attractive employer.

In closing, Mr. Chairman, I am pleased to have the opportunity to address you and the members of the committee. If confirmed, I ask for your help in strengthening the security and prosperity of America by leading and building an effective civilian workforce in the Department of State. I look forward to helping the Secretary to ensure that we are prepared to do just that.

Thank you. I respectfully request that my full statement be entered into the record, and I look forward to your questions.

The CHAIRMAN Thank you.
Mr. Smith.

**STATEMENT OF HON. DANIEL BENNETT SMITH, OF VIRGINIA,
TO BE ASSISTANT SECRETARY OF STATE FOR INTELLIGENCE
AND RESEARCH**

Ambassador SMITH. Thank you, Mr. Chairman. It is a great honor for me to appear before you today as President Obama's nominee to be Assistant Secretary of State for the Bureau of Intelligence and Research. I am deeply grateful to the President and to Secretary of State Kerry for their confidence in nominating me for this position, as well as to the Director of National Intelligence, James Clapper, for his support of my nomination.

I want to thank my wife, Diane, for joining me here today. My three sons could not be here.

Mr. Chairman, INR is a unique and invaluable asset both to the Department of State and to the Intelligence Community, of which it is part. The Bureau has a long and celebrated history in providing information and in-depth, all-source analysis that have helped to guide our Nation's foreign policy. INR's strong reputation derives not from the size of its staff or its budget, but from the tremendous expertise and skills of its personnel. Indeed, the Bureau has some of the greatest regional and subject-matter expertise anywhere in the United States Government.

Mr. Chairman, it is less well known but INR also plays a critical role and function in ensuring that intelligence and sensitive intelligence-related law enforcement activities are consistent with and support our foreign policy and national security objectives.

Throughout the course of my 30 years as a Foreign Service officer, I have worked closely with members of the Intelligence Community, overseen and coordinated intelligence and law enforcement activities, and witnessed firsthand the role that intelligence and analysis can and should play in the formulation of foreign policy. Like many professionals within INR, I also have a strong academic background and appreciate very much the importance of drawing on the insights and expertise found in our Nation's outstanding academic institutions, nongovernmental organizations, and the private sector. As a leader in the Department and as a chief of mission abroad, I have also worked hard to enhance interagency cooperation, to improve communication and information sharing, and to ensure that we are all working together to advance our national security.

If confirmed, Mr. Chairman, I will work tirelessly to ensure that INR continues to make its unique analytical contribution, as well as continues to ensure that our intelligence activities support our foreign policy and national security objectives.

I thank you for having me here today and I look forward to your questions.

[The prepared statement of Ambassador Smith follows:]

PREPARED STATEMENT OF DANIEL BENNETT SMITH

Mr. Chairman and members of the committee, it is a great honor to appear before you today as President Obama's nominee to be Assistant Secretary of State for the Bureau of Intelligence and Research (INR). I am deeply grateful to the President and to Secretary of State Kerry for their confidence in nominating me for this posi-

tion, as well as to the Director of National Intelligence, James Clapper, for his support of my nomination.

INR is a unique and invaluable asset both to the Department of State and to the Intelligence Community, of which it is part. The Bureau has a long and celebrated history in providing information and in-depth, all-source analysis that have helped to guide our Nation's foreign policy. INR's strong reputation derives not from the size of its staff or budget, but from the tremendous expertise and skills of its personnel. Indeed, the Bureau has some of the greatest regional and subject matter expertise anywhere in the U.S. Government. INR has approximately 200 analysts who have an average of 13 years of government and nongovernmental professional experience directly related to their current INR portfolio. If confirmed, I will work hard to ensure that INR continues to recruit and retain the highest quality staff and provides them with the training, professional development opportunities, and overseas experience they need to ensure the best possible analysis. Equally important, I will vigorously defend the integrity of the analytical process to ensure the independence and unbiased analysis for which INR is justly famous.

Mr. Chairman, it is less well known but INR also plays a critical function in assuring that intelligence and sensitive intelligence-related law enforcement activities are consistent with, and support, our foreign policy and national security objectives. The Bureau has a dedicated staff of professionals with significant expertise in this area, which encompasses many highly technical issues as well as practical ones. They help define the Department's intelligence requirements, seek cleared language for use in diplomatic communications, ensure that Department policymakers understand and can evaluate proposed intelligence activities with potential foreign policy consequences, and support our chiefs of mission overseas.

I myself have direct experience in this regard, and, if confirmed, I look forward to helping the Bureau support the Secretary of State and the State Department in assuring that foreign policy concerns are taken fully into consideration in the decisions and activities of the Intelligence Community.

Mr. Chairman, if confirmed, I believe I will bring extensive experience and relevant skills to the position of Assistant Secretary for Intelligence and Research. I have served successfully in a variety of demanding leadership positions both in Washington and overseas, including most recently as Executive Secretary of the State Department and as Ambassador to Greece. I know firsthand the challenges facing senior policymakers as well as the incredible demands on their time and attention. I thus appreciate the critical contribution that INR has made and can continue to make in providing the President, the Secretary of State, and other senior policymakers with timely, independent and well-focused analysis on a broad range of regional and global challenges.

Throughout the course of my 30 years as a Foreign Service officer, I have worked closely with members of the Intelligence Community, overseen and coordinated intelligence and law enforcement activities, and witnessed firsthand the role that intelligence and analysis can and should play in the formulation of foreign policy. Like many of the professionals within INR, I also have a strong academic background and appreciate very much the importance of drawing on the insights and expertise found in our Nation's outstanding academic institutions, nongovernmental organizations, and the private sector. As a leader in the Department and as a chief of mission abroad, I have also worked hard to enhance interagency cooperation, to improve communication and information-sharing, and to ensure that we are all working together to advance our national security.

If confirmed, Mr. Chairman, I will work tirelessly to ensure that INR continues to make its unique analytical contribution as well as continues to ensure that our intelligence activities support our foreign policy and national security objectives. Thank you for having me here today. I look forward to answering your questions.

The CHAIRMAN Well, thank you both very much. Welcome to your families. As I said earlier, service of those in the Foreign Service, particularly our ambassadors and other positions, is also a family commitment. I know that you will be here in D.C., but nonetheless, it is still a commitment. So I appreciate their willingness to share you with the country.

Ambassador Chacon, we are very proud of your service to date, and I would expect that the service that you have had will now be reflected in this new position.

As you and I had an opportunity to discuss yesterday, there are some things that I am concerned about with the State Department.

It is a concern that has lasted 21 years since I first came to the Congress and the House of Representatives and has transcended various administrations and still does not seem to be getting it right. And that is the nature of diversity in the Foreign Service and in the overall presence in the State Department, of which—I am concerned about it all, but one of the worst elements of the State Department is the Hispanic workforce at State, which would have to grow exponentially in order to fairly reflect the Hispanic component of the overall U.S. population. Yet, this is a goal that has proven elusive even when the Department had the resources to conduct large-scale hiring programs.

For example, in fiscal year 2011, the State Department was one of only five Federal agencies that saw a decline by percentage in the number of Hispanic employees. And your immediate predecessor, Director General Greenfield, made a genuine effort to address this issue and worked with my office in making minority communities aware of opportunities at State and in the Foreign Service. This is something that I raise with Heather Higginbottom in her role in management.

And I think why we have not achieved in this goal is because it is my belief that State needs direct guidance from the top that this is a priority. If you do not establish from the top, from the Secretary to the Under Secretary, throughout this whole effort to say part of how you will be evaluated is whether or not you are working to diversify within your field the workforce of the State Department and the Foreign Service. Then it will not be carried out because unless people know that it is part of their overall review—this is an important equation—it will be maybe for another 20 years aspirational.

And this is not just about doing the right thing from my perspective, although it is. This is also about a powerful message across the world. When I was in China—we just had our nominee for the Ambassador to China—I was meeting with human rights activists and lawyers who are struggling to represent a nascent effort to create change for basic human rights inside of China with a bunch of lawyers and human rights activists and dissidents. And the member of our team from our Embassy who was leading this effort in this group, in terms of engaging them and having set up the meeting for many who did not come because they were threatened not to come by the state security, was an African American. And the powerful message that was being sent to these human rights activists and political dissidents as someone who expressed some of the history of the United States and the change for basic human rights and dignity of African Americans in this country and now representing the United States of America in a country in which they were going through similar challenges cannot be measured. So this is not just simply about doing the right thing. It is a powerful message, the same powerful message when you have been able to represent our country in different parts of the world.

And so what I want to hear from you is, one, a commitment to me about making this a priority as the Director General and, two, what is the plan. I do not expect you to give me the 10–15 point plan right now, but I do want to hear some—you must have given

this some thought. I do want to hear some outlines of what you envision having to happen in order to change these dynamics.

Do you believe you have a commitment from the Secretary to change this reality? Because I have been doing this for 20 years, trying to change the course of events in this particular regard, and I really consider it one of those things that I have not been very successful at. The difference is 20 years ago I was not the chairman.

Ambassador CHACON. Thank you, Mr. Chairman.

Let me begin by saying you most definitely have my commitment, and we most definitely have the commitment from the Secretary. As a matter of fact, I met with the Secretary yesterday. We talked about this in preparation for my coming here, and he wanted me to reiterate yet again, as he has told me personally on a number of occasions, his commitment to diversity that extends to his entire top staff, including Deputy Secretary Higginbottom that will be leading a second review of our Quadrennial Diplomacy and Development Review. And I want to say as a member of the Foreign Service, a proud member with over 30 years of experience there, I have seen the culture change. We can do a much better job clearly.

I personally am not satisfied but I am very impressed with the steady progress that we have made. And it is my team that will be working very hard because this is an important imperative and priority.

We are doing some novel things like a mobile app to be able to communicate with underrepresented populations to be able to demystify, if you will, what the Foreign Service is.

My personal case is somewhat emblematic. I come from Colorado, New Mexico, 350 years, never really did much international travel in my youth, did not know anything about the Foreign Service, happened to run into a recruiter on campus who talked about it. When I did volunteer work overseas in Latin America, I became engaged with talking to Foreign Service officers, felt instantly smitten with this. And it helped me prepare better and pursue this career.

And that is what I hope to do is to take this story outside the traditional stream and to go to areas where we have people that are genuinely interested in public service and that have major contributions to make.

We hope to launch this spring as well a Foreign Service exam online that gives immediate feedback to people that are taking it. It guides them in areas where they can improve their score. We have diplomats in residence at over 16 universities, many of those serving historic institutions that serve Hispanics or African Americans. And again, their mandate is to go out and to find these people, not just to do it by chance.

It is an exciting career. I know that we have people interested in second careers, accomplished people. I have observed some of the examination process. We have bankers and lawyers that want to start in public service, and I would like to tap into underrepresented groups and minority professional organizations to be able to tell this story and to bring in those talents.

So we have a lot of work to do, but I think it is exciting because we are all working as a team. The Secretary has some innovative programs in terms of outreach to veterans. I would like to look at public-private partnerships to sponsor more internships like our Rangel and Pickering fellowships because it is a process. It is getting access to this lifestyle and understanding it so that they can compete on a level playing field when they do take the exam.

The CHAIRMAN Well, I appreciate that answer. The one thing I might disagree with you on is progress. I guess progress is all relative. But certainly we have not had the type of progress over two decades that I think is commensurate with the growth in this country of a critical part of the population. So I will look forward to having a more in-depth opportunity to work with you.

I am going to tell you four points that I think are essential to any plan.

First of all, it starts with measurement, making sure that at the very top it is very clear that the process by which those who are going to be reviewed will have as one of the measurements what they have done to promote this diversity.

Secondly is if we continue to recruit at the traditional places that we recruit at, we are not going to get a diverse pool. So I can bring you to New Jersey and some great schools that are very diverse, but that recruiting does not take place there. And that is just by way of one example. Now, if we go to the Fletcher School of Diplomacy, which is a fantastic school, or ISIS or others, we are going to get some really talented people, but we are not going to necessarily get the most diverse pool. So we need to diversify where we send these recruiters.

Thirdly, we need to actually engage, if we really want to make this happen, to not only recruit those individuals but to lead them in some process that prepares them for the written exam and then the oral exam.

And then lastly, I continuously am concerned about an oral exam that is very subjective and in which some people have said you can communicate effectively orally and others cannot. Obviously, oral communication is incredibly important in this job, but with all due respect, I have had those appear before this committee and I have met others who evidently must have passed the oral exam, and I have known others who have been rejected who, from my point of view, are equally competent in their ability to orally express themselves. So we need a less subjective and more objective standard so that we actually get the cadre that we want.

So we will look forward to working with you on this. This is something that I am actually considering looking at something that we have not done in this committee for some time, which is a State Department authorization bill so that we can lay out this, among many other elements, of course—there are many important elements that we have not been able to do. And I think it is time for the committee to consider doing that. I know the challenges with it but I think it is important.

Finally, I would hope that as we deal—something that I have taken to heart since I became the chairman, something that began with the tragedy of Benghazi, something that the ARB has laid out a roadmap on, that we are looking at the staffing necessary in ful-

filling the human capital needs and language requirements and other critical elements to make sure that our embassies abroad, which are particularly in high-threat, high-risk positions, have the staff necessary to be able to meet those challenges. Is that something that you are committed to as we move forward here?

Ambassador CHACON. I certainly am, Senator, and we have taken those recommendations of the ARB to heart and have created 150 new security positions. We have created language proficiency programs for security personnel, in particular in Arabic. We are looking at using all of our hiring authorities to bring on immediately qualified personnel, for instance, that are retired or family members or other experts that can immediately begin contributing to this. It is our highest priority and one of my top goals, of course, is ensuring that we have the staff necessary for the 720 positions in the five priority staffing areas which include Iraq, Afghanistan, Pakistan, Yemen, and Libya. So, yes, you do have my commitment there. And we have gone a long way but we certainly can do a much better job.

The CHAIRMAN Mr. Smith, I do not want you to feel left out of the conversation. Let me ask you, can you describe for me how INR participates in the formulation of threat assessment against U.S. posts by the Bureau of Diplomatic Security? You know, one of the things that came out was looking at threats in a different way than we had where it was not just a question of immediate actionable intelligence where we had a specific threat, but an environment that could have created—from which a threat could arise from. Could you give me a little sense of how INR goes about that and how you will, as the Assistant Secretary, upon confirmation, look at that issue?

Ambassador SMITH. Well, Mr. Chairman, thank you very much.

INR works closely with our colleagues in the Bureau of Diplomatic Security, as well as in the regional bureaus and elsewhere in the Department, to ensure that they have access to the intelligence and information they need to make assessments about the security and safety of our personnel on the ground in a given position or a given place.

One of the things I want to do, if I am confirmed, Senator, is make sure that we are working as collaboratively as possible, that they have access, as I understand, to all the information they need, but also that INR is providing the broader intelligence assessment and analysis to put these things in a broader context. I think you are absolutely right that in many cases we need to see the bigger picture sometimes and to step back, and I think INR's contribution can be significant in that regard.

The CHAIRMAN Let me ask you, if you were to be confirmed, would you, in essence, become the Secretary's chief intelligence briefer?

Ambassador SMITH. I am the Secretary's representative to the Intelligence Community, and I will ensure that the Secretary has access to the information that he needs, but also that the Intelligence Community is focused on the priorities of the Secretary and the State Department.

The CHAIRMAN So that does not mean that you are necessarily the chief intelligence briefer. You would be his representative in

the Intelligence Community to try to rivet their attention on things the State Department cares about. But how does that play back to the Secretary? Any Secretary, this one or any other. How does that play back to the Secretary? In what role do you interface with the Secretary in that regard?

Ambassador SMITH. Well, I will, if confirmed, be attending the Secretary's senior staff meetings and other events in order to provide information but also to take back information to INR and to the Intelligence Community on the priorities and concerns of the Secretary on an ongoing basis. I think one of the strengths of INR as an institution is that proximity to the Secretary of State and to other policymakers in the State Department to provide an ongoing dialogue in order to anticipate their needs and to provide feedback to the Intelligence Community about priorities and objectives.

The CHAIRMAN To what extent does INR engage in personnel rotations with other agencies of the Intelligence Community and vice versa with them and INR?

Ambassador SMITH. INR is a small organization, as you know, Senator. We have about 200 analysts, about 360 positions in INR, but we, within those constraints of being a small organization, I think try our best to ensure that our analysts, our employees have opportunities within the Intelligence Community at large, whether it is serving and being detailed to other parts of the Intelligence Community, but also that they can take advantage of opportunities abroad. One of the things I think that enhances our value and certainly enhances the insights and experience of our analysts is to be able to serve abroad. We look for TDY assignments and other opportunities so that they can spend time abroad.

The CHAIRMAN I got your answer on how many people you have, and I recognize the size of it compared to the challenge.

Can you quantify it for me? Do you have an understanding of the component? Is it 10 percent or 5 percent or 2 percent that rotate into other intelligence agencies or other intelligence agencies that rotate into INR?

Ambassador SMITH. Well, I would say, on hand—I do not know the exact statistics, Senator, but I would say that we have a substantial number of detailees. I know, at any given time, perhaps as many as 5 to 10 percent of the Bureau are detailees from other Intelligence Community organizations and institutions. We try to, as I say, make available our staff and allow them to do rotations within the Intelligence Community as much as possible. I do not know at any given time how many it is. Last year we had, in terms of overseas assignments though I know, seven who were out, enabled to go out on TDY's of our employees.

The CHAIRMAN Would you, for the record, get us an answer as to what is the nature of the rotations? Because it seems to me that it would be valuable for all concerned by getting exposure to and experience, and the responsibilities, the tradecraft, and the organizational cultures of other agencies that would help your specific task within the Department be enriched. So if you could get us an answer on that, I would appreciate it.

Ambassador SMITH. I would be delighted, Mr. Chairman, but I give you my commitment as well, if confirmed, that is going to be one of my priorities, to ensure those opportunities.

The CHAIRMAN Well, thank you both for your appearance.

Seeing no other members, this record will remain open until noon tomorrow. If you have questions submitted to you for the record, I would urge you to respond to them expeditiously so that the chair can consider your nominations at the next business meeting.

And with that, this hearing is adjourned.

[Whereupon, at 12 p.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR ROBERT MENENDEZ

Question. What do you view as the biggest challenges to the relationship? I am very concerned about Chinese actions and current trend lines on a range of security issues in the Asia-Pacific region. On Japan, China appears to be trying to use its differences with Japan as a wedge between the United States and an important ally and is increasingly aggressive in its rhetoric and behavior toward the Senkakus, including with its recent Air Defense Identification Zone declaration. What is our proper response? In the South China Sea, China appears to be continuing to drag its feet on the negotiation of a Code of Conduct, recently announced that it was going to enforce a whole host of fisheries regulations in the South China Sea, including in areas under dispute with other nations, and seems intent on trying to coerce the nations of the region—including the Philippines and Vietnam—to force a resolution of these issues in a way favorable to PRC interests. What role should the United States play on these issues? Given China's new assertiveness, is our carefully calibrated balance between "cooperation and competition" still the right approach? Should we be putting "a little more hair" on the competition side?

Answer. The U.S.-China relationship contains elements of both cooperation and competition. The United States should continue to make clear and promote our values, interests and principles, work with China to manage our differences, and seek to build a cooperative partnership across the range of bilateral, regional, and global issues that confront us today. If confirmed, I would speak clearly to Beijing regarding not only issues of shared interest, but also our differences, and faithfully represent the values we hold dear as Americans—including respect for international law and the freedom of navigation. I am clear-eyed about the growing U.S. and regional concerns regarding Chinese behavior with its neighbors over territorial and maritime matters.

China's announcement of an "East China Sea Air Defense Identification Zone (ADIZ)" caused deep concerns in the region. China announced the ADIZ without prior consultations, even though the newly announced ADIZ overlaps with long-standing Flight Information Regions (FIRs) and other ADIZs and includes airspace and territory administered by others. If confirmed, I would remind the Chinese that the United States does not recognize and does not accept the ADIZ, which we believe should not be implemented. I would make clear to China that it should refrain from taking similar actions elsewhere in the region. I would also encourage China to work with other countries, including Japan and the Republic of Korea, to address the dangers its recent declaration has created and to deescalate tensions.

In the South China Sea, the past 2 years have witnessed a troubling trend of provocative and unilateral activities, including Chinese restrictions toward long-held fishing practices at Scarborough Reef and its update of the Hainan provincial fishing regulations that purport to cover vast areas of the South China Sea. The United States has pressed China and ASEAN to rapidly agree on a meaningful Code of Conduct in the South China Sea to manage incidents when they arise, and I will continue to do so, if confirmed.

Question. What kind of dialogue do we currently have with the Chinese on cyber theft? What will you do as Ambassador to deepen this dialogue? What actions could we take if we discover state-directed theft of corporate or national secrets?

Answer. Cyber security is one of the administration's top priorities. Administration officials have repeatedly raised concerns about Chinese state-sponsored cyber-enabled theft of trade secrets and confidential business information at the highest levels with senior Chinese officials, including in the military, and will continue to do so. The United States engaged China on this and other key cyber-related issues

during the Strategic Security Dialogue (SSD)—including during the January 23 interim round of the SSD—and through the first two meetings of the U.S.-China Cyber Working Group (CWG), conducted in July and December 2013. The two sides have agreed to schedule the next meeting in the first half of 2014.

The United States and China are among the world's largest cyber actors, and it is vital that we continue a sustained, meaningful dialogue and work together to develop an understanding of acceptable behavior in cyber space. Through the CWG, the United States will continue to emphasize U.S. cyber policy objectives, including the applicability of international law to state behavior, the importance of norms of responsible state behavior, concerns about cyber activities that can lead to instability, the role of transparency in domestic civilian and military cyber policy, and the importance of practical cooperative measures to prevent crises in cyber space. If confirmed, I am committed to making the advancement of these issues a high priority.

Question. A 2013 American Chamber of Commerce China survey found that 72 percent of respondents said that China's IPR enforcement was either ineffective or totally ineffective. The U.S. International Trade Commission estimated that U.S. intellectual property-intensive firms that conducted business in China lost \$48.2 billion in sales, royalties, and license fees in 2009 because of IPR violations there. In certain sectors, such as wind power, where American Superconductor has been severely harmed by IP theft by its Chinese "partner," Sinovel, the damage to U.S. businesses has been particularly acute. It also estimated that an effective IPR enforcement regime in China that was comparable to U.S. levels could increase employment by IP-intensive firms in the United States by 923,000 jobs.

◆ Where does intellectual property protection rank on your list of priorities as Ambassador?

Answer. I am very concerned by high levels of trade secrets theft and violations of intellectual property rights in China. If confirmed, I will advocate forcefully on behalf of U.S. rights holders for greater protection and enforcement of their intellectual property, trade secrets, and commercially sensitive information. I will seek to ensure that this critical issue is addressed at the highest levels between our two governments. U.S. companies derive tremendous value and competitive advantage from the billions of dollars they invest in research and development, and intellectual property is part of the bedrock of our economy. It is critical for American innovators to know their intellectual property and trade secrets are being protected.

If confirmed, I will also make it a top priority to work closely with U.S. rights holders, innovators, and entrepreneurs to make sure that they fully understand the risks and take appropriate measures to protect their intellectual property doing business with China. I will also work with other foreign governments to underscore the need for the Chinese Government to take stronger measures to protect intellectual property in China.

Question. It's not at all clear that the new Chinese leadership is as welcoming to foreign investment as its predecessors have been for over two decades. In your chairmanship of the Finance Committee and for many years here in the Senate, you've pushed for open markets and export opportunities for U.S. firms.

◆ Do we face a fundamental change in how the Chinese Government views the role of foreigner companies, and what can you, as Ambassador, do about that?

Answer. There is no doubt that two-way trade and investment have benefited both the United States and China enormously, and both countries expect that they will continue to contribute to economic growth and prosperity. China has committed itself to an ambitious set of reforms, including in the area of investment, but this reform process is in early stages. The United States needs to continue to use bilateral dialogues and other engagements to press for continued reform, including calling on China to further liberalize its market and to establish a level playing field for foreign companies relative to domestic companies.

In a positive development, China announced at the U.S.-China Strategic and Economic Dialogue (S&ED) in July 2013 that it would negotiate a bilateral investment treaty (BIT) with the United States that, for the first time in China's treaty practice, will cover all phases of investment, including market access, and all sectors of the Chinese economy (except for any limited and transparent negotiated exceptions). The BIT will mark an important step in opening China's economy to U.S. investors and leveling the playing field for American businesses. China also committed at S&ED to open up further to foreign investment in services, including through the establishment of the Shanghai Free Trade Zone pilot.

If confirmed, I would seek to make further progress on a BIT while emphasizing the need for China to make simultaneous headway on market access and other pri-

ority issues in the short term, including through ongoing reform efforts such as in the Shanghai Free Trade Zone.

Question. What do you hope to accomplish during your tenure in Beijing? What do you see as the proper role of the Ambassador? How will you work to get real influence on U.S. policy?

Answer. Engaging in frank discussions while seeking to collaborate and narrow our differences with China is essential to having a healthy bilateral relationship. My primary job as Ambassador, if confirmed, will be to continue expanding cooperation where U.S.-China consensus and shared interests exist—such as on environmental issues—and to narrow our differences to promote common goals and interests, such as agreeing to a rules-based framework for our economic relationship that establishes a level playing field for healthy competition and innovation.

If confirmed, I would continue to work with China on important regional and global security issues, such as the denuclearization of the Korean Peninsula, the importance of a nuclear-weapons-free Iran, and achieving a stable and prosperous Afghanistan. Equally important, I would seek to advance important U.S. interests on more contentious concerns, such as human rights and maritime security issues.

Question. Is there a threat to the interests of the United States and our allies and friends from a militarily strong China that seems to be pushing others around as its military modernization proceeds and capabilities increase?

Answer. The United States seeks a healthy, stable, reliable, and continuous military-to-military relationship with China. If confirmed, I would support the continued development of military-to-military relations as a key component of the U.S.-China bilateral relationship. Deeper cooperation is necessary to further reduce mistrust and the risk of miscalculation between the U.S. and Chinese militaries. We urge China to resolve regional issues peacefully through dialogue. We oppose unilateral actions that raise tensions or could result in miscalculations that would undermine peace, security, and economic growth in this vital part of the world. The U.S.-China relationship is not zero-sum, and we continue to pursue greater cooperation and engagement on our common interests.

If confirmed, I would encourage China to exhibit greater transparency with respect to its capabilities and intentions and to use its military capabilities in a manner conducive to the maintenance of peace and stability in the Asia-Pacific region. I would reiterate that the United States has national interests in the Asia-Pacific region, including an interest in preserving the freedom of the seas and airspace.

Question. How do we get America's message (who we are, what our values are) across to the Chinese public in ways that transcend the filters the leadership has constructed to block us? Are there particular human rights issues that you intend to champion as Ambassador?

Answer. The best way for us to get America's message across to the Chinese public is through public diplomacy outreach programs and U.S.-China people-to-people exchanges. Fortunately, our Embassy and consulates in Mission China have a robust public diplomacy outreach strategy and one of their primary objectives is to strengthen engagement with the next generation of Chinese leaders. They achieve this objective through English-language training programs for teachers throughout China, partnerships with U.S. universities that are working with universities in China, as well as academic, cultural, sports, and professional exchanges. The U.S.-China Consultation on People-to-People Exchange, an annual high-level dialogue, is a prime example of how the United States and China are working together to forge stronger ties between their peoples.

Mission China also has an extensive social media outreach program, utilizing local Chinese social media platforms, with over 4 million followers, throughout China. Mission China continues to look for innovative ways to reach our target audiences through social media and new technology.

One of the most effective ways for the Chinese public to understand who we are and what we value is to experience our culture firsthand as a student. According to the 2013 Open Doors Report, there are over 235,000 Chinese students in the United States. Through the EducationUSA program, Mission China is reaching out to students throughout China to provide timely and accurate information so students can find the best fit for their study abroad program. Also, through President Obama's 100,000 Strong Initiative, we focused on increasing the number of Americans studying in China. In fact, the U.S. Department of State funds more Americans to study in China than in any other country. Approximately 900 students, scholars, and teachers will conduct research, teach or study Chinese through Fulbright and our other exchange programs. The exchanges we sponsor bridge language barriers,

open lines of communication, and connect people in the United States and China in immediate and lasting ways.

Human rights are integral to U.S. foreign policy. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all citizens, particularly the freedoms of expression, assembly, association, and religion, and would communicate our support for these principles directly to the Chinese people.

I would raise our human rights concerns with Chinese officials at the highest levels and would raise specific cases of Chinese citizens who are being persecuted for the peaceful expression of their political or religious views. I would also make clear to China that the United States considers China's upholding its international human rights commitments to be vital to our bilateral relationship. I strongly believe that the promotion and protection of human rights in China are in our national interest and should be an integral part of every high-level conversation we have with Chinese officials.

If confirmed, I would plan to continue outreach to Chinese citizens, including activists and public interest lawyers, as well as ethnic minorities and religious groups in China, and will urge the Chinese Government to cease restrictions on religious practice and to address the counterproductive policies in minority areas that have fostered grievances and have prevented long-term stability.

Question. April 10, 2014, will mark the 35th anniversary of the enactment of the Taiwan Relations Act (TRA), which was passed by the United States Congress and signed into law in 1979. This legislation provides an institutional framework and legal basis for our continued relations with Taiwan after the end of formal diplomatic ties. The 35th anniversary not only represents an important milestone in our longstanding relationship with Taiwan, it also consolidates the foundation on which our bilateral security, economic, and trade relations will continue to grow and flourish and reassures our commitment to maintain peace and stability in the region. In my view, the Taiwan Relations Act, just as much as our One China Policy or the Three Joint Communiqués, forms the basis of our successful policy toward China and is critical to maintaining cross-strait stability.

◆ What is your view of the Taiwan Relations Act?

Answer. If confirmed as Ambassador, I will continue to underscore the commitment to the U.S. one-China policy based on the three Joint Communiqués and the Taiwan Relations Act (TRA). The TRA has provided the basis for Taiwan's unofficial but stable, friendly, and robust relations with the United States since 1979, allowing Taiwan to be an important economic and security partner in the Asia-Pacific region. The TRA allows the United States to continue to provide Taiwan with the means to develop a sufficient self-defense capability, which contributes to stability in the region and gives Taiwan confidence to engage China. Maintenance of cross-strait stability is essential to promoting peace and prosperity in the entire Asia-Pacific region.

If confirmed, I will encourage continued constructive cross-strait dialogue, which has led to significant improvements in the cross-strait relationship, at a pace acceptable to people on both sides.

Question. How do you assess China's cooperation with the United States on Iran, including sanctions enforcement?

Answer. China is an important partner in the P5+1 process and in the implementation of the Joint Plan of Action. The United States and China share the goal of preventing Iran from acquiring a nuclear weapon. If confirmed, I would work to ensure there is continued and close cooperation between our two countries. As Ambassador, I would work with China to ensure we continue to address the international community's concerns about Iran's nuclear program in the P5+1 and press China to prevent proliferation-related transfers to Iran. If confirmed, I would work with China as we pursue a long-term comprehensive settlement with Iran. I would urge China to keep Iranian oil imports flat, instruct Chinese companies to refrain from sanctionable transactions with Iran, and boost its efforts to prevent illicit transfers of proliferation-sensitive technology to Iran.

Question. How can we get China to work more closely with responsible members of the international community on North Korea? Is there a future for the six-party talks?

Answer. The United States remains open to authentic and credible negotiations to implement the September 2005 Joint Statement of the Six-Party Talks and to bring North Korea into compliance with applicable Security Council resolutions through irreversible steps leading to denuclearization. The United States shares

with China a common goal of achieving a denuclearized Korean Peninsula, which is essential to both regional stability and broader international security. China is a vital partner with a unique role to play due to its longstanding economic, diplomatic, and historical ties with North Korea. The administration continues to work with all U.N. member states, including China, to ensure the full and transparent implementation of UNSC sanctions.

As Ambassador, if confirmed, I would urge China to use its influence to convince North Korea that it has no choice but to denuclearize. The United States and China need to continue to work together to hold the DPRK to its commitments and its international obligations, including those to abandon its nuclear weapons and existing nuclear programs in a complete, verifiable, and irreversible manner. One important way to do this continues to be robust PRC implementation of U.N. Security Council sanctions and other measures.

If confirmed, I would continue to encourage Beijing to ensure the full and transparent implementation of U.N. Security Council sanctions targeting North Korea's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs.

Question. The Chinese Government is demonstrating increasing determination and sophistication at using the law as a means to compel citizens to either support government policies on an ever wider range of issues, or to remain silent (and compliant). This trend is accelerating and is especially noticeable across the terrain of fundamental human rights. We routinely hear Chinese Government officials dismiss foreign accusations that they disregard the freedoms of speech, association, assembly, and religion by asserting that government actions are "according to the law."

♦ As Ambassador to China, how will you work to champion the function of law to protect citizens' freedoms, instead of protecting the government's ability to suppress those rights?

Answer. Human rights are integral to U.S. foreign policy. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all citizens and would communicate our support for these principles directly to the Chinese people. Promoting respect for universal human rights and the rule of law is integral to U.S. foreign policy. If confirmed, I would urge China's leaders to undertake key legal reforms and respect the rule of law and underscore the importance of an independent judiciary, a robust civil society and the free flow of information to China's prosperity and stability. I would also strongly support the annual U.S.-China Legal Experts Dialogue, which provides an important channel to discuss our concerns about the rule of law and specifically the role of lawyers in Chinese society by bringing together judges, legal scholars, lawyers and prosecutors to discuss key legal issues.

If confirmed, I would continue outreach to ethnic minorities and religious groups, including members of house churches, in China. I would also continue outreach to legal scholars and universities to emphasize the importance of rule of law and an independent judiciary. Such outreach would be conducted in a way that is effective and promotes our values.

If confirmed, I would raise our human rights concerns with Chinese officials at the highest levels and would raise specific cases of Chinese citizens who are being persecuted for the peaceful expression of their political views or religious beliefs. I would also make clear to China that the United States considers China's upholding its international human rights commitments to be vital to our bilateral relationship. I strongly believe that the promotion and protection of human rights in China are in our national interest and should be an integral part of every high-level conversation we have with Chinese officials.

Question. How should the United States respond to Chinese security officials' recent detention of Uyghur scholar, Ilham Tohti, who has given a voice to Uyghurs' concerns over inequality and discrimination and who has sought to foster understanding between Uyghurs and China's dominant Han population?

Answer. If confirmed, I would urge China's leaders to immediately release Uyghur scholar, Ilham Tohti, remove all restrictions on his freedom of movement, and guarantee him the protections and freedoms to which he is entitled under China's international human rights commitments. I would ensure that our Embassy continues to be in close communication with Tohti's family members and supporters. I would also work closely with other embassies in China to ensure that China hears a consistent message from the international community on his case.

I am deeply concerned by ongoing reports of discrimination against and restrictions on Uyghurs and other Muslims and, if confirmed, would urge the Chinese Government to cease restrictions on religious practice. I would also press Chinese

officials to address the counterproductive policies in Xinjiang that have fostered grievances and have prevented long-term stability.

Question. Human rights is often considered a separate issue from our trading relationship with China. But in many ways, they are interconnected. For example, a free press and vibrant civil society are essential to holding the Chinese Government accountable on issues such as food and product safety, and the right to organize independent unions is key to ensuring workers in China are not exploited at the expense of American workers.

◆ How will you ensure that human rights concerns are integrated with our trade and economic discussions with China?

Answer. Promotion and protection of human and labor rights in China are in our national interest in all facets of the bilateral relationship, including our trade, economic, and development interests with China. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all citizens, including the freedoms of expression, peaceful assembly, and association. I would make the case to China that the rule of law, an independent judiciary, and a robust civil society will help China address challenges such as food safety and food and nutrition security, while enabling it to continue its economic growth and maintain stability. I believe that the free flow of ideas, on all topics, is essential for fostering creativity and building the kind of innovative economy that will help China continue to reduce poverty and improve the standard of living.

I would raise our human rights concerns with Chinese officials at the highest levels and make clear that the United States considers China upholding its international human rights commitments vital to our bilateral relationship. I strongly believe that the promotion and protection of human rights in China are in our national interest and should be an integral part of high-level conversation with Chinese officials.

If confirmed, I would engage regularly with companies in both countries, as well as with labor and civil society organizations, to promote responsible business conduct and to focus on sustainable development. Companies can further our efforts by encouraging broad respect for human and labor rights and leading efforts to improve transparency, while reducing their own reputational risk, leveling the playing field, and improving the overall business environment.

RESPONSES OF ARNOLD CHACON TO QUESTIONS SUBMITTED
BY SENATOR ROBERT MENENDEZ

Question. The Department has increased personnel significantly within the last decade. Today, more than 50 percent of the Foreign Service joined within the last 10 years. What does this mean for career paths, promotion numbers, and workforce development? Please describe the Department's workforce planning and efforts to create career paths for these new employees.

Answer. The Department is committed to an orderly, predictable flow of talent through the Foreign Service ranks. In our up-or-out system, promotion opportunities depend on the number of employees who separate (e.g., retire or resign) as well as the overall number of positions at each grade. Under the Diplomatic Readiness Initiative and Diplomacy 3.0, the Department hired a large number of entry-level officers (ELOs), helping to narrow a previous deficit in Foreign Service employees. As more and more of these employees move into the mid-levels, we have undertaken efforts to increase mid-level positions, in line with our mission requirements, which should alleviate some of the projected slowdown in promotion rates and increase in time in class for this cohort. Moreover, to meet mid-level staffing and assignment gaps, many of those employees progressed in grade at faster than historic rates. While we expect to now be able to return to earlier rates, we are acutely cognizant that building experience and managing expectations for our recently hired employees is a priority. We are also concerned that with the current less than attrition hiring, our flow-through will once again be disrupted, likely recreating the staffing gaps that DRI and Diplomacy 3.0 were meant to close and impacting our new staff as well as we strive to defend U.S. interests abroad.

The Department takes an active interest in the development of its most important resource, its people. Since 2005, the Department has used Career Development Plans (CDPs) for Foreign Service Generalists and, more recently, Specialists, as a tool for mapping career development and developing skills needed at the senior ranks. The CDP builds on four principles to meet the Department's mission: operational effectiveness, including breadth of experience over several regions and func-

tions; leadership and management effectiveness; sustained professional language and technical proficiency; and responsiveness to Service needs. Mandatory requirements and a menu of electives help guide employees in developing the skills and experience to demonstrate their readiness for the senior ranks.

The CDP also reinforces the importance of excellence in foreign languages, fundamental to the work of the Foreign Service. Professional foreign language use is also highly valued in considerations for promotion, across all grades and skills. Long-term language training does generally slow promotion while the student is enrolled, but makes promotion more likely later on. Every 3 years, the Department updates the criteria for assigning a language designation to a position. The next triennial review should be completed by July 2014. The number of overseas language-designated positions (LDPs) grows every year; for FY 2013, it was 2,241.

The Department is committed to developing the wider skills for today's diplomacy. In addition to tradecraft skills, we are also focused on the leadership and management skills critical to the Department, both internally and in an increasingly inter-agency overseas environment. In recent years, for example, we instituted mandatory leadership training as a prerequisite for promotion at each rank and, in 2014, we expect to launch a new program of mandatory supervisory training for all new supervisors.

Question. In the 21st-century it is critical that America has a professional, innovative, and diverse workforce. I understand that the Department has established recruitment programs targeting individuals with in-demand language skills, but once hired they may be prevented from serving in those countries due to assignment restrictions and preclusions. Please describe efforts currently underway to improve the Department's assignment restriction and preclusion program—which may be disparately impacting certain ethnicities—including the introduction of a robust appeals mechanism and increased internal reporting and oversight.

Answer. The Department of State hires all Foreign Service officers and Specialists to be worldwide available, and we have worked diligently to maintain a diverse workforce. One way to reduce the risk of possible exploitation by a foreign intelligence service is to restrict an individual from assignment in that specific country. This is by no means punitive, but rather it serves to protect both the national security and the individual. If confirmed, I will work with the Assistant Secretary of Diplomatic Security to bring a common sense review of restrictions, and provide an outreach initiative so all personnel understand the rationale for these crucial security decisions.

Question. The Hispanic workforce at State will have to grow exponentially in order to fairly reflect the Hispanic component of the overall U.S. population, yet this goal has proven elusive—even when the Department has had the resources to conduct large-scale hiring programs.

- ◆ If confirmed will you make minority recruitment and retention a top priority? What is your plan? How will you make the Department's staff reflective of our rich cultural and ethnic diversity?
- ◆ If confirmed will you put together a high-level team to develop a specific proposal and plan—in consultation with this committee—to improve minority retention, recruitment and hiring?

Answer. In order to represent the United States to the world, the Department of State must have a workforce that reflects the rich composition of its citizenry. We recognize that we can, and must do, more to improve minority hiring. If confirmed, you have my personal commitment to redouble the Department's efforts to ensure that we represent the full cross-section of America. I look forward to working with you, as well as other members of the committee and community leaders, to do so.

At the same time, I would like to point out the efforts already underway in this area, and what has thus far been accomplished. The culture of the Department has changed dramatically in the past few decades; when Congress passed the Foreign Service Act of 1980, more than 80 percent of FS generalists and specialists were male, and close to 75 percent were white males. Now females constitute 35 percent and minorities over 22 percent. To echo the testimony of Deputy Secretary for Management and Resources Heather Higginbottom, diversity is now a central Department commitment, and the Secretary has told me personally that he considers it a high priority. In the past 11 years, FS generalist minority hiring increased from 12.3 percent in 2002 to 28.7 percent in 2013. Furthermore, minority hires for FS generalists are up from last year: Hispanic, from 8.5 percent to 11 percent; Asian-American, from 8 percent to 11 percent; and African-American from 6 percent to over 10 percent. This represents important if insufficient progress as we continue

to strive to ensure the face of the FS and Civil Service (CS) includes people of all cultures, races, and religions, drawn from across the United States.

The Bureau of Human Resources (HR) promotes diversity through a wide-range of plans, programs, and initiatives through its Diversity and Inclusion Strategic Plan (DISP). Beginning its third year of implementation, the DISP identifies practices to recruit, hire, train, develop, promote, and retain a diverse and inclusive workforce. Significant recruitment, outreach, and improvement activities include:

- Assigned 16 senior and mid-level Foreign Service officers as Diplomats in Residences (DIRs) to college campuses around the United States to recruit for student programs and careers. Of which:
 - Four went to Hispanic-Serving Institutions (HSIs, University of New Mexico, Florida International University, University of Houston and City College of New York);
 - Three assigned to Historically Black Colleges and Universities (HBCUs, Howard, Spellman/Morehouse and Florida A&M).
- Dedicated a second Washington-based recruiter to Hispanic outreach and another (also a second) recruiter to African-American recruitment;
- Hosted or attended nearly 700 events, coast to coast, and beyond, including Puerto Rico and Hawaii;
- Targeted minority communities through Diversity Career Networking Events aimed at reaching professional communities in regions where the Department is less well-known;
- Signed an MOU with the Department of Veterans Affairs (VA) to access the Veterans' Resume Database, searchable pool of veteran candidates for civil service direct hire using special hiring authorities;
 - Resulted in seven requests for veteran referrals where four veterans received offer letters.
- Increased hiring of persons with disabilities through the Disability and Reasonable Accommodations Division, which aids in the recruitment, assignment, and support of applicants and employees with disabilities;
 - Provides over 4,500 reasonable accommodations annually, with the majority for sign language interpretation services for one overseas and 20 domestic employees;
 - Operates a Computer Accommodations and Technology Center, where employees requiring reasonable accommodation may be assessed for technological solutions.
- Launched DOSCareers iPhone mobile app to reach underrepresented groups and educate them about careers in the Foreign Service (FS) and practice taking the FS exam;
- Enhanced the "I am Diplomacy, I am America" diversity recruitment campaign so that future prospects may envision themselves as potential representatives of the Department;
- Evaluated the overall program effectiveness for two of the largest premier diversity scholarship programs, the Thomas R. Pickering and Charles B. Rangel Fellowship student programs, where approximately 60 graduate and undergraduate fellows are selected to participate in each year. There have been 612 Pickering Fellows and 163 Rangel Fellows since the programs began. Of this number, 387 Pickering Fellows and 114 Rangel Fellows—totaling 501 Fellows—are currently in the Foreign Service. A number of them have risen to significant positions, such as Deputy Chiefs of Mission, while others have received prestigious awards and/or public recognition for their outstanding service.

As a result of these efforts, we have realized steady gains in diversity, although we agree that we still must do more to reach our goals.

We are also working to improve diversity among the Senior Executive Staff (SES) of the Civil Service through a number of measures planned for 2014, including:

- On-board a new Diversity Program Manager to promote the development and implementation of diversity and inclusion in the SES and senior leadership equivalent talent pools across the Department;
- Analyze a GS-14/15 SES Interest survey that we conducted to help develop diverse SES talent for future leaders;
- Revise SES Merit Staffing processes to ensure diversity among SES Qualification Review Panel members and mandatory interviews for all SES candidates referred;
- Invite key diversity offices and affinity workgroups to share ideas about improvements to our existing DISP metrics, measures, and strategies;

- Focus efforts on activities to strengthen workplace inclusion and sustainability goals and simultaneously update the existing plan metrics, measures, and strategies.

It is worth noting that factors beyond agency control, including potential decrease in Federal spending due to sequestration, limited/delayed hiring, reduced travel/awards/pay freezes, are all circumstances that could potentially hinder or weaken our ability to meet our diversity goals.

If confirmed, I look forward to working with you to achieve our mutual goal of enhanced diversity in the Department's ranks. We would like to invite you to accompany me or one of our recruiters at an event in your state.

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR BOB CORKER

Question. Our relationship with China is one of the most complex and increasingly significant bilateral relationships globally. How do you propose to navigate the complexities of the bilateral relationship, including balancing our mutual desire to expand economic opportunities for our respective commercial interests, while simultaneously making clear our expectations that Beijing adhere to international norms, including in the maritime domain?

Answer. The U.S.-China relationship contains elements of both cooperation and competition. The United States should continue to make clear and promote our values, interests and principles, work with China to manage our differences, and seek to build a cooperative partnership across the range of bilateral, regional, and global issues that confront us today. If confirmed, I would speak clearly to Beijing regarding not only issues of shared interest, but also our differences, and faithfully represent the values we hold dear as Americans—respect for the rule of law, the promotion of universal values and human rights, guaranteeing a level playing field for healthy economic competition, ensuring the free flow of information, and respect for international law, including freedom of navigation.

Question. Beijing has been critical of the administration's rebalancing or "pivot" to Asia, accusing the United States of pursuing a policy to contain China.

- ♦ (a) How do you intend to explain the administration's Asia-Pacific "pivot" to the Chinese public?

Answer. If confirmed, I would make clear that the rebalance is a multifaceted approach that recognizes the importance of the entire Asia-Pacific region to America's long-term prosperity and security. A key element of the rebalance is our pursuit of a positive, comprehensive, and cooperative relationship with China; the rebalance is not a strategy to contain China.

If confirmed, I would use the public diplomacy tools at my disposal, including use of social media and public events, to communicate to the Chinese public that the United States welcomes the rise of a stable and prosperous China that assumes the responsibilities of a great power, respects the rights of its people, and plays a key role in world affairs. By pursuing a robust program of bilateral dialogue and exchange, I would, if confirmed, work to advance cooperation in areas of common interest to demonstrate that the United States has a stake in China's success, just as China has a stake in ours.

- ♦ (b) What areas do you see as having the most potential for improvement in our relationship with China, and how do you personally plan to approach them? What are your top priorities for your time in China?

Answer. Engaging in frank discussions while seeking to collaborate and narrow our differences with China is essential to having a healthy bilateral relationship. If confirmed, I would work to continue expanding cooperation where U.S.-China consensus and shared interests exist—such as on environmental issues—and to narrow our differences to promote common goals and interests, such as agreeing to a rules-based framework for our economic relationship that establishes a level playing field for healthy competition and innovation.

If confirmed, I would continue to work with China on important regional and global security issues, such as the denuclearization of the Korean Peninsula, the importance of a nuclear weapons-free Iran, and a stable and prosperous Afghanistan. Equally important, I would seek to advance important U.S. interests on more contentious concerns, such as human rights and maritime issues.

- ♦ (c) What, if any, opportunities exist for the United States and China to work together to address North Korea's destabilizing behavior? As Ambassador, how

will you persuade China to assert greater economic and political pressure on the North Korean regime to abandon its nuclear weapons programs?

Answer. The United States and China share a common goal of achieving a denuclearized Korean Peninsula, which is essential to both regional stability and international security. China is a vital partner with a unique role to play due to its long-standing economic, diplomatic, and historical ties with North Korea. The administration continues to work with all U.N. member states, including China, to ensure the full and transparent implementation of UNSC sanctions.

As Ambassador, if confirmed, I would urge China to use its influence to convince North Korea that it has no choice but to denuclearize. The United States and China need to continue to work together to hold the DPRK to its commitments and its international obligations, including those to abandon its nuclear weapons and existing nuclear programs in a complete, verifiable, and irreversible manner. One important way to do this continues to be robust PRC implementation of U.N. Security Council sanctions and other measures.

If confirmed, I would continue to encourage Beijing to ensure the full and transparent implementation of U.N. Security Council sanctions targeting North Korea's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs.

Question. Since the political transition last year, Beijing has engaged in a wide-spread crackdown on dissent and introduced a series of new controls on the media, undermining China's international human rights commitments. Several peaceful dissidents have been arrested and imprisoned, including a 4-year prison sentence handed down this past Sunday for Xu Zhiyong for organizing a series of protests against corruption last year in Beijing.

◆ As Ambassador, how will you promote U.S. core human rights values and interests in our bilateral relationship with China? Do we need to reevaluate our approach to the U.S.-China human rights dialogue?

Answer. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all Chinese citizens and raise specific cases of concern, including that of legal scholar Xu Zhiyong and other individuals associated with the New Citizens Movement that have been detained, harassed and prosecuted by Chinese authorities. I strongly believe that the promotion and protection of human rights in China are in our national interest and, as such, should be an integral part of every high-level conversation we have with Chinese officials. I would continue the Embassy's strong record of meeting regularly with a wide range of human rights activists and their family members to gain a better understanding of their concerns and to express our support for respect for human rights in China.

I would also continue to work closely with other embassies in China in order to ensure that China hears a consistent message from the international community on human rights.

The promotion and protection of human rights are critical components of U.S. foreign policy, and the U.S.-China Human Rights Dialogue (HRD) is an important part of the United States overall human rights effort regarding China. The HRD presents an opportunity to engage Chinese officials in an extended, in-depth discussion of key human rights concerns and individual cases. It is not, however, a substitute for consistent high-level engagement from across the U.S. Government. I strongly believe that the promotion and protection of human rights in China are in our national interest and, as such, should be an integral part of every high-level conversation we have with Chinese officials. The rule of law, an independent judiciary, a robust civil society, the free flow of information and respect for universal human rights and fundamental freedoms are key to China's ability to deal with domestic and global challenges and improve its standing as a reliable international partner.

Question. Foreign journalists working in China have come under increased scrutiny and pressure. China has withheld visas and threatened local staff working with foreign journalists to deter publication of stories critical of Chinese policies or officials. In addition, China has blocked the Web sites of several U.S.-owned publications.

◆ How should the United States address China's media censorship and discriminatory practices?

Answer. I am deeply concerned that foreign journalists in China continue to face restrictions that impede their ability to do their jobs, including extended delays in processing journalist visas, restrictions on travel to certain locations deemed "sensitive" by Chinese authorities and, in some cases, violence at the hands of local authorities. These restrictions and treatment are not consistent with freedom of the

press—and stand in stark contrast with U.S. treatment of Chinese and other foreign journalists.

I was disappointed that New York Times reporter, Austin Ramzy, was required to leave China because of processing delays for his press credentials. Mr. Ramzy and several other U.S. journalists have waited months, and in some cases years, for a decision on their press credentials and visa applications.

If confirmed, I would urge China to commit to timely visa and credentialing decisions for foreign journalists, unblock international media Web sites, and eliminate other restrictions that impede the ability of journalists to practice their profession. I firmly believe that our two countries should be expanding media exchanges to enhance mutual understanding and trust, not restricting the ability of journalists to do their work.

Question. As you know, the United States and China are currently negotiating a bilateral investment treaty (BIT). A BIT with China would greatly benefit a broad segment of U.S. exporters currently subject to a number of ownership restrictions in China. With an ambitious treaty, we could eliminate many of these restrictions and help U.S. companies to compete fairly with Chinese companies. Both U.S. and Chinese Government officials have publicly expressed strong support for a BIT.

The BIT negotiations could represent an important opportunity, as many observers believe President Xi views the BIT as a mechanism to push through important domestic economic reforms that were rolled out at last year's Third Plenum. This could be one of the more significant developments in the bilateral economic relationship since China's accession to the WTO in 2002.

- ◆ Will you make completing a BIT with China a high priority during your tenure as Ambassador to China?
- ◆ As U.S. Ambassador to China, would you commit to pursuing a high-standard Bilateral Investment Treaty with China, ensure that there are no restrictions in businesses data flows, and bring down the competitive barriers for our companies so they can compete fairly with state-owned enterprises?

Answer. A high-standard U.S.-China Bilateral Investment Treaty (BIT) would play a significant role in addressing key concerns of U.S. and other foreign investors, including the need to level the playing field and ensure that U.S. companies do not suffer from unfair disadvantages. The United States is taking an ambitious approach in the BIT negotiations with China, and one of our top priorities is to seek disciplines to help level the playing field between American companies and their Chinese competitors, including state-owned enterprises and national champions. The United States is also seeking to address other top-priority concerns in the China market, including protecting trade secrets from forced transfer and enhancing transparency and the rule of law. Negotiations are at an early stage, and I know the U.S. Government will continue to address these important issues as negotiations proceed. If confirmed, I am committed to making the advancement of these negotiations a high priority.

Question. The Chinese Government in 2013 committed to resume bilateral investment treaty negotiations with the United States using the U.S. approach to BITs—one based on preestablishment, using a negative list. This is a significant change in approach, which China has not used before in this type of negotiation.

As you know, the BIT will ultimately be considered by the Senate under our advise and consent process. We will be looking for a strong agreement with significant market openings for American companies. As part of our process, though, we will also evaluate China's actions to implement such openings in the immediate term rather than waiting for the BIT to be implemented. A delay in taking good faith steps to implement changes could be interpreted by some as a lack of commitment by China to making the changes that the BIT will require.

- ◆ What are your plans to advance the BIT negotiations and push China's Government to act on market openings now rather than only after implementation of the BIT has begun?
- ◆ And will you work to ensure that this committee, which must approve all treaties negotiated by the United States, is fully consulted and apprised on your progress on this important issue?

Answer. If confirmed, I would seek to make further progress on a BIT while emphasizing the need for China to make simultaneous headway on market access and other priority issues in the near term. The administration looks forward to consulting with this committee and other key congressional committees as negotiations continue.

Question. China has stated its intention of becoming an innovative economy by 2020. This policy is being aggressively pursued by high-level political commitments, substantial financial support and strategic policies. China's Government is using a variety of policy tools to implement these policies to reduce a perceived dependence on foreign intellectual property and to protect and promote national champions. I am concerned these policies will have a negative effect on U.S. companies and U.S. competitiveness.

◆ If confirmed, what are your plans to combat these market access barriers that are adversely affecting U.S. companies?

Answer. If confirmed, I would continue our high-level engagement to press the case that discriminatory and retaliatory practices and regulations are unacceptable and harm not only U.S. companies but also China's own competitiveness and development goals. The U.S. economy is one of the most open in the world, and I would encourage China to recognize our openness as one of our key strengths. U.S. companies introduce international best practices and high-quality goods and services into the global market, and it is in China's interest to allow our firms to participate on a level playing field, with appropriate protections for intellectual property, in China's growing domestic market. Chinese companies are also beginning to devote significant resources to develop new products and technologies, and many of these companies have their own growing concerns about others in China illegally copying their ideas and technology. It is important that a technologically advancing China realize that robust IP protection and enforcement are critical for innovation.

In addition to pushing China both bilaterally and multilaterally to increase its regulatory transparency and to adhere to international economic rules-based norms and standards, if confirmed, I also intend to engage the U.S. business community in China and advocate on behalf of U.S. firms, workers, farmers, and ranchers so that unacceptable trade, investment, and market access barriers do not stand in the way of their participation in the Chinese market.

Question. The Chinese Government's newly announced indigenous innovation policies are particularly concerning. They appear designed to provide a clear advantage to Chinese domestic champions and create an unbalanced playing field for foreign companies in China.

◆ If confirmed, will addressing China's indigenous innovation and strategic emerging industries policies be a priority for you? How will you plan to tackle these competitiveness challenges facing U.S. companies?

Answer. If confirmed, one of my highest priorities will be to ensure U.S. companies can compete on a level playing field in China by addressing China's indigenous innovation and strategic emerging industries policies as well as other market barriers for U.S. companies.

If confirmed, I will advocate forcefully on behalf of U.S. companies by leveraging our high-level engagements with China on how to align its policies on innovation, including standards and technology transfer, with global best practices. The U.S.-China Innovation Dialogue, which the administration established in 2010 immediately after China launched discriminatory "indigenous innovation" policies, has been an important mechanism for raising innovation concerns with the Chinese.

If confirmed, I will continue U.S. Government engagement through the Innovation Dialogue, through other bilateral and multilateral channels, including bilateral investment treaty negotiations, and through the efforts of our mission in China, which has worked closely as an interagency team to press China to make tangible progress eliminating the discriminatory aspects of its indigenous innovation policies.

RESPONSES OF ARNOLD CHACON TO QUESTIONS SUBMITTED
BY SENATOR BOB CORKER

Question. Please explain what concrete steps you intend to take, as Director General of the Foreign Service, to ensure that language training is expanded to a greater pool of Foreign Service officers and other embassy personnel, and to change or recalibrate the Foreign Service Institute's overall approaches to language training?

Answer. Foreign language proficiency is a hallmark of the professional Foreign Service employee. It enhances an employee's ability to improve the U.S. national image abroad, advocate foreign policy objectives, and engage foreign audiences in discourse on a broad range of subjects. For this reason, foreign language proficiency is integrated into the Foreign Service Career Development Program as a requirement for tenure and entry into the Senior Foreign Service. A multibureau Language

Policy Working Group is dedicated to ensuring that the Department's employees have the language skills to meet our policy needs.

In accordance with the Department's strategic plan for foreign language capabilities, the Department conducts a review of all language designated positions every 3 years to align language proficiency designations with foreign policy goals. The Language Policy Working Group is overseeing the triennial review that began in November 2013 and will be completed by midsummer 2014. The group recently revamped Language Incentive Programs to encourage officers to use and improve their skills in critically needed languages and is overhauling the Department's language training strategy and updating training delivery methods. We are regularly increasing the number of Language Designated Positions (LDPs) at our posts; as of January 2014, there were 4,498 LDPs total worldwide. Among officers assigned to LDP positions in FY 2013, 80 percent fully met, and 13 percent partially met, the designated language proficiency requirement.

The Department created Career Development Plans (CDPs) for Foreign Service members to map their long-term professional growth and acquire the skills the Department needs at the senior ranks. The CDPs reinforce the importance of foreign language proficiency for all Foreign Service members and require that generalists seeking promotion into the Senior Foreign Service have current foreign language skills.

The Foreign Service Institute's model for foreign language instruction emphasizes communicative skills, with professional tradecraft training that prepares Foreign Service personnel to perform on the job. FSI also invests significantly in language learning technology, in professional development of instructional staff, and providing resources for continuous learning after formal training. If confirmed, I will make it my priority to work closely with FSI to ensure that all FSOs receive the language training that they need to do the best job possible.

Question. Will you seek to change the Foreign Service application criteria to permit applicants with preexisting language skills to receive an admissions edge?

Answer. The Department has for years used the tool of additional points for a candidate's score on the Register of eligible candidates for demonstrated language skills. Candidates who have a verified level of fluency in any one of the 69 languages used in the Foreign Service receive extra consideration in the hiring process. Those who have competency in the eight priority languages, (Arabic, Mandarin Chinese, Hindi, Dari, Farsi, Pashto, Urdu, and Korean) receive additional consideration. Responding to the Accountability Review Board's suggestions after the Benghazi attack, the Department instituted lump-sum hiring bonuses of 10–20 percent of base salary for Foreign Service specialists with proficiency in Arabic.

Recruitment of candidates with language skills is an integral part of our outreach. We use paid and unpaid advertising on educational, recruitment, and social media sites to target U.S. citizen speakers of priority languages. Our 10 DC-based recruiters and 16 Diplomats-in-Residence at universities around the country reach out to potential candidates with proficiency in priority languages. Under the Department's Recruitment Language Program (RLP), applicants who receive additional consideration for speaking one of the eight priority languages agree to a one- or two-year commitment, depending on the level of fluency and consideration received in the hiring process, to serve in a position requiring those skills. These priority languages are reviewed periodically depending on strategic policy goals.

Question. Please explain specific steps you intend to take, as Director General of the Foreign Service, to reduce the attrition rate of the Foreign Service.

Answer. The Department has one of the lowest attrition rates in government and Foreign Service attrition has remained fairly stable over the years with no significant spikes. While attrition numbers may have gone up due to hiring increases over the past 10 years, the relative percentage has actually declined in recent years (generalist rates remain under 4 percent), which keeps FS attrition stable. We have seen no difference between the "Diplomacy 3.0" and Diplomatic Readiness Initiative cohorts' attrition rate and our historical averages.

We are nevertheless cognizant of the need to maintain a reasonable and stable attrition rate, while at the same time ensuring we do not lose good talent prematurely. With that in mind, if confirmed I will work to ensure that the Human Resource Bureau continues to:

- Evaluate employee viewpoint surveys, and other surveys, to gauge and address employee concerns. (Note: In the 2013 Federal Employee Viewpoint Survey, the Department of State ranked fourth overall among the 19 large federal agencies, and is only federal agency to remain in the top 10 since 2005.)

- Administer the FS promotion and compensation systems transparently and fairly.
- Improve communication with employees to enhance understanding of mission needs, necessary policy changes, and new requirements as well as manage expectations.
- Improve HR services to employees through automation of HR systems and a fully implemented tiered services delivery system.

RESPONSES OF DANIEL BENNETT SMITH TO QUESTIONS SUBMITTED
BY SENATOR BOB CORKER

Question. The recently released, bipartisan SSCI Benghazi report found it “unsettling” that INR failed to disseminate any independent analysis regarding the Benghazi attacks a full year after the incident. INR officials, during interviews, stated that unless INR has something unique to add, they merely repeat what the rest of the intelligence community has to say about it. However, INR should always have something unique to add, especially when it involves the Department, as the Bureau has access to Department information and perspectives that the rest of the IC does not have.

- ◆ Do you agree with the SSCI finding that the lack of independent analysis from INR is unsettling?
- ◆ What will you do to ensure INR is not irrelevant in times of crisis such as the aftermath of the Benghazi attacks?

Answer. If confirmed, I will work to ensure not only that we are providing real time access to the intelligence information and analysis that our colleagues in Diplomatic Security and elsewhere need to do their jobs, but that we are also providing the broader perspective on overall trends and developments that only INR can provide.

In the aftermath of the tragic events in Benghazi that resulted in the deaths of four of our colleagues, there were a number of efforts made to look back at what happened and draw lessons learned. The primary focus in this regard was the work of the independent Benghazi Accountability Review Board, in addition to the law enforcement-focused analysis and investigation of the attacks led by the FBI. While it would not have been appropriate for INR to duplicate these efforts or conduct a separate investigation looking back at the attack itself, I understand that INR played a critical role through its coordination of and contribution to a number of intelligence community products in the aftermath of the Benghazi attacks that sought to shed light on developments on the ground and the ongoing political and security environment. INR actively coordinated with Diplomatic Security, State Department Principals, and the IC not only to ensure that State Department perspectives were accurately portrayed in vital intelligence products, but also that the flow of intelligence to State Department policymakers, security professionals, and others remained smooth and effective.

I agree that INR provides a unique perspective and that we need to ensure our voice is heard. In particular, INR’s analysis of the broader political and economic context in which our missions operate can help inform the more operational focus of our colleagues in the Bureaus of Diplomatic Security and Counterterrorism, and elsewhere in the State Department, on immediate and near-term threats to our missions and personnel. We ensure this perspective is reflected through our coordination of intelligence community products, the publication of independent INR written products, and frequent oral briefings and consultations with Department policymakers and interagency partners.

- ◆ Are you committed to ensure the SSCI recommendations are carried out—to (1) have an independent audit of how quickly and effectively INR shares intelligence within the Department and (2) have DNI and State carry out a joint review of INR in order to make the Bureau more timely and responsive to world events?

Answer. If confirmed, I intend to engage early with DNI Clapper and INR’s State Department customers—including those responsible for security—to review how we are sharing intelligence and intelligence products, the timeliness and responsiveness of INR products to world events, and what improvements we might make. I understand that INR already conducts yearly customer surveys based on rigorous polling methodology to determine the timeliness, quality, and relevance of its analytical products and intelligence support, including the flow of intelligence originating elsewhere in the intelligence community. I intend to build on these efforts. In 2013, the survey was executed by an independent outside firm, ensuring even further rigor.

Those surveys, which are shared with ODNI, indicate a high degree of confidence in INR products and intelligence support services, and appreciation for their outstanding quality, timeliness, and insight into world events. Other reviews have also indicated that INR is quickly and effectively sharing intelligence with its customers throughout the Department.

- ◆ The Benghazi attack was seen by many as a failure to properly appreciate and act on intelligence. As the chief intelligence office for the Department of State, how would you learn from these intelligence failures and prevent them in the future?

Answer. The independent Benghazi Accountability Review Board and the SSCI Benghazi Report confirmed that there was never a specific warning that the attack was coming, only a general understanding that the security situation was difficult. The challenge for all of us is to determine whether, even in the absence of a specific “tactical warning,” there are indicators that should trigger additional security measures or other actions to reduce our vulnerability. That is something the State Department must do, and does, every day, but we must always strive to improve. We owe that to the diplomats and development experts who are advancing America’s interests abroad everyday—often in dangerous places.

INR’s role in this regard is to ensure not only that policymakers and colleagues in Diplomatic Security have real time access to all the relevant intelligence, but also to provide our analysis of the broader context in which our missions are operating. As I noted, if confirmed, I will review with ODNI the timeliness and responsiveness of INR products to ensure we are doing just that.

- ◆ In your opinion, how can the intelligence community more effectively manage the massive amount of intelligence data being reported to ensure that crucial intelligence is emphasized and appreciated?

Answer. This is a central role that INR plays for the Department of State’s leadership and policymakers. Our job is not only to provide timely access to intelligence data, but also to highlight for busy policymakers key pieces of intelligence and analysis. A key part of this is ensuring that INR’s analysts and staff have access to training and professional development opportunities to further develop their skills, as well as ensuring that analysts are provided with robust analytic IT tools. If confirmed, I will work hard to ensure that INR continues to effectively “push” crucial intelligence to policymakers, including in Diplomatic Security, in a timely fashion and that analysts have access to training and IT tools they need.

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR BARBARA BOXER

Question. U.S. Embassy Air Pollution Monitoring: The U.S. Embassy in Beijing provides daily air quality monitoring to measure particulates (PM 2.5) as an indication of the air quality in the city.

- ◆ As Ambassador to China, will you continue to ensure this data is available through social media and other means? What can be done to expand this monitoring to other U.S. State Department consulates and diplomatic missions throughout China?

Answer. U.S. Embassy Beijing and the U.S. consulates in China provide air quality data and additional information on their public Web sites and through their Twitter feeds as part of the administration’s commitment to protect U.S. citizens. This information allows the mission community and American citizens living in China to make informed decisions to decrease exposure to air pollution. During hazardous air situations—such as the January 2013 air episode—the U.S. Embassy issues messages to U.S. citizens to address the high levels of pollution indicated by air quality indexes and to provide U.S. citizens information resources on air quality and protective measures. If confirmed, I will ensure that air quality data and messages continue to be released and updated in a timely fashion.

Question. Promotion of U.S. Environmental Technologies: In a January 27, 2014, study published in the “Proceedings of the National Academies of Science,” researchers from China and the United States quantified the effects of air pollution from Chinese industrial sources used to manufacture goods exported to the United States. The study found that the air pollution attributable to export-related Chinese activities amounted to up to 10 percent of annual average surface sulfate concentrations (a pollutant that leads to the formation of dangerous fine particulate matter and acid rain) and 1.5 percent of ozone over the Western United States in 2006.

- ◆ As U.S. Ambassador to China, will you make opening Chinese markets to American air pollution control equipment and other environmental technologies a priority?

Answer. The United States has long recognized that air pollution can be transported over long distances and that China, as a major industrial player, has high emissions of air pollutants. Those emissions affect air quality in the United States and other countries downwind of China. What was new in the article was that the authors quantified how much air pollution from Chinese manufacturing is transported to the United States. The information contained in the January 27 article reinforces how important it is for the United States to work with China to mitigate emissions of air pollutants, whether that is through cleaner production processes, pollution prevention, end-of-pipe technologies, or other mitigation measures. Air pollution is clearly a concern for China's Government and its citizens, and if confirmed, I will work with the Chinese to improve air quality in both our countries.

China's air pollution problems will invariably trigger commercial opportunities. U.S. air quality monitoring equipment is well received and is often considered high-quality in terms of data accuracy, timeliness, and product lifecycle. In order to seize these emerging opportunities, U.S. companies should develop suitable market-entry and pricing strategies. If confirmed, I will work with the U.S. Commercial Service at Embassy Beijing and the Consulates General in Shenyang, Shanghai, Guangzhou, Wuhan, and Chengdu to help U.S. exporters interested in exploring the Chinese market.

Question. As you know, the continued detention of political prisoners is one of the most pressing human rights challenges in China. Tragically, the situation remains unchanged for many Chinese prisoners of conscience—including Nobel Peace Prize Laureate Liu Xiaobo and his wife Liu Xia, and prominent rights lawyer Gao Zhisheng.

- ◆ If confirmed, how will you work to change the status quo for Chinese prisoners of conscience and other victims of human rights abuses in China?

Answer. If confirmed, I would use my position as Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all Chinese citizens and raise specific cases of concern, including those of Nobel laureate Liu Xiaobo, his wife Liu Xia, rights lawyer Gao Zhisheng, and the many others who have been detained and imprisoned for peacefully exercising their universal human rights. I strongly believe that the promotion and protection of human rights in China are in our national interest and, as such, should be an integral part of every high-level conversation we have with Chinese officials. I would continue the Embassy's strong record of meeting regularly with a wide range of human rights activists and their family members to gain a better understanding of their concerns and to express our support for human rights in China. I would also coordinate with like-minded countries to raise individual cases to ensure that China hears a consistent message from the international community about human rights in China.

Question. I am deeply concerned about the continued detention of Chinese lawyer and human rights activist, Gao Zhisheng. As you know, he has been arrested and detained numerous times. According to his wife and human rights advocates, he has also been brutally tortured.

- ◆ If confirmed, how will you encourage the Chinese Government to immediately and unconditionally release Gao Zhisheng? If confirmed, what steps will you take to ensure that Gao Zhisheng is allowed to reunite with his family in the United States if he is released?

Answer. I strongly believe that China has an obligation to abide by the 2011 decision by the U.N. Working Group on Arbitrary Detention that judged rights lawyer Gao Zhisheng's imprisonment to be in contravention of the Universal Declaration of Human Rights and called for his immediate release. If confirmed, I would urge China's leaders to immediately release Gao Zhisheng, remove all restrictions on his freedom of movement, and guarantee him the protections and freedoms to which he is entitled under China's international human rights commitments. I would ensure that our Embassy continues to be in close communication with Gao's family members and supporters. I would also continue to work closely with other embassies in China in order to ensure that China hears a consistent message from the international community on Gao's case.

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR MARCO RUBIO

Question. On December 5, 2013, the USS *Cowpens* had been lawfully operating in international waters in the South China Sea, when a PLA Navy vessel crossed its bow at a distance of less than 500 yards and stopped in the water, forcing the USS *Cowpens* to take evasive action to avoid a collision. This is only the latest in about a dozen U.S.-China incidents at sea in the last decade.

- ◆ (a) Do you agree that the actions of the PLA Navy ship in the USS *Cowpens* incident, as publicly reported, violate China's obligations under the October 1972 multilateral convention on the international regulations for preventing collisions at sea (also known as the COLREGs or the "rules of the road"), to which both China and the United States are parties?
- ◆ (b) Can you describe Chinese attitude toward the framework of bilateral (U.S.-Chinese) dialogue enshrined in the 1998 Military Maritime Consultative Agreement (MMCA)?
- ◆ (c) Do you agree that Chinese respect to the 1972 "rules of the road" and behavior in the MMCA framework should have implications on the administration's expectations about the value of a binding Code of Conduct between the Association of Southeast Asian Nations (ASEAN) and China for the South China Sea?

Answer. If confirmed, I will support the continued development of military-to-military relations as a key component of the U.S.-China bilateral relationship. Deeper cooperation is necessary to further reduce mistrust and the risk of miscalculation between the two militaries. The U.S.-China Military Maritime Consultative Agreement (MMCA) is an important forum for the discussion of maritime safety issues in general.

While the December 5 USS *COWPENS* incident underscored concerns about China's efforts to restrict freedom of navigation at sea, it also highlighted important recent progress we have seen in bridge-to-bridge communication between the United States and PLA Navies. In a complex tactical environment, bridge-to-bridge communication was instrumental in defusing the situation and preventing a collision.

In order to minimize the potential for an unintentional accident or incident at sea, it is important that the United States and China share a common understanding of the same rules for operational air or maritime interactions. From the U.S. perspective, an existing body of international rules, norms, and guidelines—including the 1972 COLREGs—are sufficient to ensure the safety of navigation between U.S. forces and the forces of other countries, including China. If confirmed, I will continue to make clear to Beijing that these existing rules, including the COLREGS, form the basis for our common understanding of air and maritime behavior, and encourage China to incorporate these rules into ongoing conflict management tools. We have pressed China and ASEAN to agree to a rapid, meaningful Code of Conduct in the South China Sea to manage incidents when they arise, and I will continue to do so if confirmed. I will also support the further development of the MMCA and press China to agree to other tools that manage interactions at sea or in the air.

Question. Since the first meeting of the U.S.-China Cyber Working Group in July 2013, has cyber theft originating from China decreased or continued? Has the working group affected the People's Liberation Army, and how has the PLA participated in the working group?

Answer. Cyber security is one of the administration's top priorities. Administration officials have repeatedly raised concerns about Chinese state-sponsored cyber enabled theft of trade secrets and confidential business information at the highest levels with senior Chinese officials, including in the military, and will continue to do so. The State Department, including the Bureau of East Asian and Pacific Affairs (EAP) and the Office of the Coordinator for Cyber Affairs (S/CCI), plays a key role in these discussions, including by leading the Cyber Working Group (CWG). The United States and China sent interagency delegations, which included military representatives, to both CWG meetings.

The United States and China are among the world's largest cyber actors, and it is vital that we continue a sustained, meaningful dialogue and work together to develop an understanding of acceptable behavior in cyber space. Through the CWG, the United States will continue to emphasize U.S. cyber policy objectives, including the applicability of international law to state behavior, the importance of norms of responsible state behavior, concerns about cyber activities that can lead to instability, the role of transparency in domestic civilian and military cyber policy, and the importance of practical cooperative measures to prevent crises in cyber space.

Question. The late Ambassador Mark Palmer, in his book "Breaking the Real Axis of Evil," argued that U.S. Ambassadors in places like China should be "freedom fighters" and U.S. embassies "islands of freedom" open to all those who share the values of freedom, human rights, and democracy.

- ◆ Do you agree that the U.S. Embassy in China should be an "island of freedom" and that one of your primary jobs should be demonstrating to China's peaceful advocates of reform and democracy that the United States stands firmly with them?

Answer. Human rights are integral to U.S. foreign policy. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all citizens and would communicate our support for these principles directly to the Chinese people.

I would raise our human rights concerns with Chinese officials at the highest levels and would raise specific cases of Chinese citizens who are being persecuted for the peaceful expression of their political or religious views. I would also make clear to China that the United States considers upholding its international human rights commitments to be vital to our bilateral relationship. I strongly believe that the promotion and protection of human rights in China are in our national interest and should be an integral part of every high-level conversation we have with Chinese officials.

If confirmed, I would plan to continue outreach to ethnic minorities and religious groups, including members of house churches, in China. Such outreach would be conducted in a way that is effective and promotes our values.

I would also continue to work closely with other embassies in China concerned with China's worsening human rights record in order to ensure that China hears a consistent message from the international community.

Question. On January 25, the State Department's spokesperson issued a statement expressing "deep disappointment" about the conviction of Mr. Xu Zhiyong, a leading advocate for fiscal transparency and fighting official corruption. The spokesperson described Mr. Xu's prosecution as "retribution for his public campaign to expose corruption and for the peaceful expression of his views." This is just the latest in an ongoing crackdown by Chinese authorities against activists.

- ◆ If confirmed, what steps would you take to highlight the plight of these activists and elevate their cases with the Chinese Government?

Answer. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all Chinese citizens and raise specific cases of concern, including that of legal scholar Xu Zhiyong and other individuals associated with the New Citizens Movement that have been detained, harassed and prosecuted by Chinese authorities. I strongly believe that the promotion and protection of human rights in China are in our national interest and, as such, should be an integral part of every high-level conversation we have with Chinese officials. I would continue the Embassy's strong record of meeting regularly with a wide range of human rights activists and their family members to gain a better understanding of their concerns and to express our support for respect for human rights in China.

I would also continue to work closely with other embassies in China in order to ensure that China hears a consistent message from the international community on human rights.

Question. As you know, there is an effort under way in the Senate to impose visa and financial sanctions on individuals responsible for extrajudicial killings, torture, or other gross violations of human rights in any foreign country. I have been concerned that in some authoritarian countries, there is a growing tendency to use selective justice and government institutions to prosecute human rights advocates and critics.

- ◆ Would you support the application of visa and financial sanctions on individuals responsible for the use of selective justice to prosecute anticorruption and human rights advocates in China?

Answer. If confirmed, I would support using a variety of mechanisms to encourage greater respect for human rights in China. There is a range of statutory and policy-based grounds for denying visas to, and barring entry of, human rights violators. I would take our role seriously in not permitting entry to those who are ineligible due to direct involvement in human rights abuses, such as the enforcement of forced abortion and sterilization. I am particularly concerned by the recent crackdown on anticorruption activists, and, if confirmed, would make progress on human rights and rule of law a top priority during my tenure in Beijing.

Question. The United States has designated China as a Country of Particular Concern, or CPC, since 1999 for its systematic, ongoing, and egregious violations of freedom of religion or belief. The U.S. Commission on International Religious Freedom has recommended that, in addition to designating China as a CPC, additional measures should be taken to encourage Beijing to respect this fundamental freedom.

- ◆ How would you use the CPC designation to strengthen human rights and religious freedom diplomacy as part of the bilateral relationship?

Answer. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect human rights, including religious freedom. The Chinese Government's respect for, and protection of, the right to religious freedom fall well short of its international human rights obligations. As Ambassador, I would support efforts by the Ambassador at Large for International Religious Freedom to explore new and innovative ways to encourage China to improve its record on religious freedom. I would stress to Chinese leaders that China will remain a CPC until it implements fundamental reforms to allow all people freely to practice their faith, without restrictions such as requiring registration with the Chinese Government.

China's CPC designation is an important part of our efforts to urge China to fulfill its international commitments to protect and respect religious freedom, along with our "International Religious Freedom Report," high-level dialogues such as the Human Rights Dialogue, exchange programs among our citizens, and grants to organizations working to improve religious freedom.

Question. According to the United States Commission on International Religious Freedom, the Chinese Government has detained over a thousand so-called "unregistered" Christians in the past year, closed "illegal" meeting points, and prohibited public worship activities. Additionally, unregistered Catholic clergy remain in detention or disappeared.

- ◆ If confirmed, would you commit to raise awareness of this situation in China by outreaching to this beleaguered community and attending a worship service in an "unregistered" Catholic or Protestant church in China?

Answer. Promoting religious freedom is a core objective of U.S. foreign policy, including in our relationship with China. If confirmed, I would use my position as the U.S. Ambassador to urge China's leaders to respect the human rights and fundamental freedoms of all people and encourage China to permit everyone to worship, regardless of whether they affiliate with a government-recognized religious association. Freedom of religion is critical to a peaceful, inclusive, and stable society.

If confirmed, I would continue outreach to both registered and unregistered religious groups, including members of house churches and the Catholic community, in China. Such outreach would be conducted in a way that is effective and promotes our values.

Question. China recently announced that it would abolish the reeducation through labor penal system which allowed people to be held up to 4 years without a judicial hearing. UNHCR estimated up to 190,000 people were held in these camps. However, human rights activists worry that the closure of these forced labor camps is merely cosmetic and they have been relabeled as drug rehabilitation centers.

- ◆ What is the status of the closures of the forced labor camps? Since the beginning of the closure of the camps, has there been an increase in people committed to drug rehabilitation centers in China?

Answer. While we welcome China's December 28, 2013, announcement that it would abolish the "reeducation through labor" system as a positive step if it results in the shutdown of an abusive system that allows Chinese authorities to imprison individuals without due process, the ongoing use of arbitrary administrative detention, extralegal detention in black jails, and other forms of forced labor remains a concern. If confirmed, I would urge Chinese officials to ensure that reeducation through labor is not replaced by other forms of arbitrary detention or "rehabilitation" that deprive citizens of their rights. I would emphasize that we believe that respect for rule of law and protection of human rights will benefit the long-term stability and prosperity of China.

If confirmed, I will also work closely with my interagency colleagues, particularly the Department of Homeland Security, to ensure that we are taking all necessary steps to ensure that products of forced and prison labor are not entering the United States.

Question. The Chinese Government recently announced a limited relaxation of their longstanding "One Child Policy" for Chinese couples in which at least one parent is an only child. However, this change to the "One-Child Policy" does not apply

to all couples and circumstances, and reports of government-approved forced abortions continue to arise.

- ◆ How will you engage with Chinese officials on the issue of government-sanctioned forced abortions in China?

Answer. I strongly oppose all aspects of China's coercive birth limitation policies, including forced abortion and sterilization. If confirmed, I would urge China's leaders frequently and at all levels to respect the human rights and fundamental freedoms of all Chinese citizens and to end the one-child policy immediately.

RESPONSES OF ARNOLD CHACON TO QUESTIONS SUBMITTED
BY SENATOR MARCO RUBIO

Question. A group of former Ambassadors recently underlined the shrinking proportion of Foreign Service officers (FSOs) in senior positions at the State Department relative to Civil Service or political appointees, and observed an accompanying diminution of Foreign Service input into the foreign policy process and management of the Department.

- ◆ How does this administration compare to previous ones regarding the nomination of political appointees to senior positions at the State Department?
- ◆ How does this situation impact the morale of FSOs?
- ◆ What impact does this situation have on the need to improve the professional skills of FSOs?

Answer. The Department benefits from the strengths of a diverse workforce: Civil Service, Foreign Service, and political appointees. Each brings unique experience, skills, and perspectives. There are career employees in many senior leadership positions domestically and overseas, including the Deputy Secretary, the Counselor, and a number of Under Secretaries and Assistant Secretaries. The majority of ambassador positions are filled by career FSOs. The ratio has been fairly consistent over the course of multiple Presidential administrations: approximately 70 percent career, 30 percent noncareer. The Foreign Service Act of 1980 recognizes the value of appointment of qualified noncareer individuals as COM.

Regarding morale, it is to be expected that a diversity of opinion regarding internal policies will be represented among employees. It would not be possible to guarantee 100 percent acceptance of any Department policy. I would note, however, that in the 2013 Federal Employee Viewpoint Survey, the Department of State ranked fourth overall among the 19 large federal agencies, and is only federal agency to remain in the top 10 since 2005. Please see my answers below regarding the Department's work to improve the professional skills of FSOs.

Question. As you know, the 2010 QDDR acknowledge State's shortage of key skills necessary for modern-day diplomacy.

- ◆ What steps, if any, has the administration taken to institute a Professional Diplomatic Education Program to systematically develop the professional skills of FSOs?
- ◆ If so, what particular skills does the program seek to enhance?
- ◆ To what extent is participation in such programs a prerequisite for FSOs' promotions?

Answer. The Department takes an active interest in the development and training of its most important resource, its people. The skills demanded of a diplomat are always shifting, and never more so than now in the 21st century. Showing the priority we place on training our officers, the Department strives to maintain a training complement sufficient to ensure that officers may acquire necessary skills, without leaving important overseas positions vacant. The assistance of Congress in providing us with the necessary resources for this complement is greatly appreciated.

The primary locus of education for the foreign affairs community is the Foreign Service Institute (FSI), which develops the men and women our Nation requires to fulfill our leadership role in world affairs and to advance and defend U.S. interests. Created in 1947, FSI provides more than 700 classroom courses, including some 70 foreign languages. In addition, 270 custom-developed distance learning products and about 2,700 commercial distance learning courses are available worldwide 24/7 through the Internet. Annual course completions currently exceed 104,500. These courses are designed to promote successful performance in each assignment, to ease the adjustment to other countries and culture, and to enhance the leadership and management capabilities of the U.S. foreign affairs community. Customers include State and 47 other USG entities.

Since 2005, the Department has used Career Development Plans (CDPs) for Foreign Service Generalists and, more recently, Specialists, as a tool for mapping career development and developing skills needed at the senior ranks. Certain requirements must be met before an employee can elect to compete for the senior ranks. The CDP builds on four principles to meet the Department's mission, all critical to meet today's diplomatic requirements: operational effectiveness, including breadth of experience over several regions and functions; leadership and management effectiveness; sustained professional language and technical proficiency; and responsiveness to Service needs. Mandatory requirements and a menu of electives help guide employees in developing the skills and experience to demonstrate their readiness for the senior ranks. FSI also launched a Training Continuum in 2005 which allowed officers of different career tracks to tailor their training to meet the needs of their particular specialty.

The CDP also reinforces the importance of excellence in foreign languages, fundamental to the work of the Foreign Service. Professional foreign language use is also highly valued in considerations for promotion, across all grades and skills. Long-term language training does generally slow promotion while the student is enrolled, but makes promotion more likely later on.

The Department is committed to developing the wider skills for today's diplomacy. In addition to tradecraft skills, much of which is assignment-specific, we are also focused on the leadership and management skills critical to the Department, both internally and in an increasingly interagency overseas environment. In recent years, for example, we instituted mandatory leadership training as a prerequisite for promotion at each rank and, in 2014, we expect to launch a new program of mandatory supervisory training for all new supervisors.

Question. Are there any efforts underway to facilitate the attendance of mid-level FSOs to one of our military's Professional Military Education Programs? Would such a cross-service education be valuable the modern FSOs?

Answer. We have long, productive relationships with our Nation's military educational institutions, both the War College and Commands. In this academic year, for example, 24 mid-level employees at the FS-02 and FS-03 levels are enrolled in the Joint Forces Staff College in Norfolk, VA; Army Command and Staff College in Ft. Leavenworth, KS; Naval Command and Staff College in Newport, RI; Air Command and Staff College in Montgomery, AL; Marine Corps War College in Quantico, VA; Inter-American Defense College in Washington, DC; and National Intelligence University (NIU) in Washington, DC. The Department has a close and longstanding relationship with the National Defense University (NDU), where our officers can both study and teach. In one NDU program, an FSO at the O1 rank serves under the general direction of the Commandant as Associate Professor and State Chair at the Joint Forces Staff College. The JFSC prepares 1,300 selected field-grade officers and civilians each year for command and staff responsibilities in multinational, governmental, and joint national security jobs. Students come from all branches of the armed services (including international military students), the Department of State, and other U.S. civilian agencies. The College has several schools that offer joint professional military education mandated by Congress, including a master's degree program in Joint Advanced Warfare.

The Foreign Service Institute also manages an online Army War College Master of Strategic Studies Distance Education Program for FS-01 and FS-02 employees that awards a Master of Strategic Studies.

These highly competitive training opportunities are considered career-enhancing for Foreign Service personnel, offering opportunities for professional growth and the development of skills and knowledge critical to working and leading in the inter-agency environment.

Question. Consular activities are vitally important, but they draw a lot of manpower from within the State Department ranks. What can be done to buttress our consular activities overseas in order to shift additional personnel to staffing shortfalls in other areas?

Answer. Many of our consular positions are entry-level officer (ELO) positions, focused on immigrant and nonimmigrant visas. The number of visa adjudication positions needed overseas is influenced by visa demand which, in turn, is impacted by frequently changing country-specific and worldwide political, economic, social, and national security conditions. Our ability to meet those needs through traditional methods, i.e., ELOs, is dependent on the Department's budget and the ability to hire.

Unfortunately, in today's resource-constrained environment with attrition or less hiring and continuing growth in demand for visas, we estimate that by FY15 ELO

hiring will be unable to provide enough officers to fill entry level consular positions. Consular staffing shortfalls are projected to exceed 400 by FY17.

To support the economic growth that foreign visitors foster in the United States, we are expanding existing programs for our career Civil Service employees, including Passport Adjudicators, to serve overseas in Foreign Service Limited Non-Career Appointments (LNA). We have also developed other innovative LNA hiring programs to meet these urgent, specific mission-critical needs that cannot be met by the Foreign Service (FS), including a pilot program to bring in noncareer, highly qualified, language ready Consular Adjudicator LNAs to fill entry-level non-immigrant visa adjudicator positions in China, Brazil, and several Spanish-speaking countries. Additionally, we are expanding opportunities for fully qualified appointment-eligible family members to serve in entry-level consular positions overseas.

We are using these programs to buttress our vitally important and growing consular responsibilities but with attrition or below hiring, entry-level officers will continue to be needed to complete that critical task.

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR RICHARD J. DURBIN

Question. Conservationists estimate that some 62 percent of the elephant population in central Africa has been slaughtered in the past decade to satisfy the resurgent demand for ivory. Experts agree that the demand for ivory is fueled by China—where the nation's economic expansion has made the treasured product accessible to a growing middle class. Not only does this demand create a market that is leading to the decimation of the African elephant, it also undermines U.S. military and development objectives in Africa by fueling armed conflict and violence. Murderous bands of thugs like the Lord's Resistance Army and terrorist group al-Shabaab have turned to ivory to fund their reigns of terror.

- ◆ How can the United States work with China to reduce its demand for ivory that is helping fuel such horrific violence?

Answer. The United States is engaging China to reduce demand for illegally traded wildlife and wildlife products. Recently the United States and China each destroyed more than six tons of illegal ivory stockpiles seized through law enforcement action. I understand the United States plans to continue efforts to raise global awareness, including in China, of this pernicious trade and its devastating effects on wildlife. U.S. law enforcement agencies are working with Chinese authorities to improve wildlife law enforcement. At the 2013 U.S.-China Joint Liaison Group on Law Enforcement Cooperation, the U.S. cochairs proposed that the United States and China explore ways to cooperate further on wildlife trafficking. Law enforcement entities of the United States have joined with China, and other countries, including several African nations, in collaborating and exchanging information through Operation COBRA 2, a follow-on operation to the highly successful Operation COBRA 1 in 2013, which targets wildlife traffickers at all points in the trade chain. In addition, the United States continues to encourage China, as APEC 2014 chair, to support the ongoing work of the Anti-Corruption and Transparency Experts Task Force on combating corruption and illicit trade, including wildlife trafficking, and to join U.S. workshops focusing on demand reduction under APEC's aegis.

Question. China is investing in Africa by the billions—building large-scale roads and infrastructure projects. It uses concessional financing and other favorable loan and grant terms to undercut American companies, making it very difficult for our businesses to compete. This is leaving a continent with 7 of the 10 fastest-growing economies and with huge potential to grow jobs in the United States largely inaccessible to American investors and companies. For its part, China gains access to natural resources and gains political and diplomatic influence. African consumers are subject to inferior Chinese products, as well as weak labor, governance, and environmental standards.

- ◆ How can the United States do more to help American businesses compete in Africa, particularly against aggressive Chinese tactics?

Answer. Foreign investment is essential to Africa's economic development, and there is room for both the United States and China to engage in public and private investment opportunities. The United States offers a compelling narrative for Africa. Our firms introduce international best practices, export top-quality products, provide employment opportunities, and promote economic growth in Africa, while also generating benefits for the U.S. economy.

China will continue to seek a role in Africa and elsewhere, and we must maintain our engagement with China in this regard. The United States has pressed China

to adhere to international labor, human rights, transparency, and economic standards as China pursues investment and development projects globally.

If confirmed, I would press China not to undermine local and international efforts to promote healthy competition, good governance, transparency, and responsible natural resource management in Africa and elsewhere. I would welcome Chinese investment that is consistent with international standards, that promotes good governance and sustainable development, and that maintains a level playing field for all companies, and I would urge my Chinese counterparts to ensure that China's engagement plays this positive role.

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR TOM UDALL

Question. China has some of the most unique natural features in the world, from the mountains of the Tibetan Plateau to the Indus, Mekong and Yellow Rivers that flow from it and sustain all of Asia. Yet China is now famous for having some of the worst air quality on the planet. The Chinese people are increasingly pushing back through activism accelerated by new social media tools and aided by the real-time air quality data provided by the U.S. Embassy.

How will you advance collaboration between China, the American private sector, and U.S. agencies such as the EPA to reduce pollution there?

Answer. Growing environmental awareness in China, driven partly by episodes of severe air pollution, has increased Chinese interest in enhanced cooperation on air pollution, climate, and clean energy. Air pollution does not stop at the border; by working with China, the United States can improve air quality in both our countries. To promote cooperation, the United States developed an Air Action Plan under the Ten-Year Framework for Energy and Environment Cooperation (TYF). Collaboration on air quality is also included in the memorandum of understanding between the U.S. EPA and China's Ministry of Environmental Protection and was expanded in 2013 through a U.S. Trade and Development Agency-funded cooperative project. Our two nations also boast significant bilateral climate cooperation, including through seven clean-energy initiatives launched in 2009—including the U.S.-China Clean Energy Research Center—and the five new initiatives of the Climate Change Working Group (CCWG). The TYF and CCWG in particular are State Department-organized platforms for cooperation that bring U.S. agencies, including DOE, EPA, USTDA, DOT, and FERC, together with their Chinese counterparts.

If confirmed, I would work to support these existing programs and encourage their expansion. For example, at the next Strategic and Economic Dialogue in China, we are working to include new partners—including American industry participants—into the EcoPartnership Program. EcoPartnerships bring together U.S. and Chinese organizations—local governments, universities, nongovernmental organizations, and/or companies—to conduct innovative projects that promote U.S. priorities on energy security, economic growth, and environmental sustainability, including addressing air pollution.

Question. If confirmed, what measures will you take to protect the health of the hundreds of Americans who serve at Embassy Beijing and consulates around the country?

Answer. U.S. Embassy Beijing and the U.S. consulates in China provide air quality data and additional information on their public Web sites as part of the administration's commitment to protect U.S. citizens. This information allows the mission community and U.S. citizens living in China to make informed decisions to decrease exposure to air pollution. During hazardous air situations—such as the January 2013 air episode—the U.S. Embassy issues messages to U.S. citizens to address the high levels of pollution indicated by air quality indexes and to provide U.S. citizens information resources on air quality and protective measures.

If confirmed, I would ensure that air quality data and these messages continue to be released and updated in a timely fashion. In addition, embassy and consulate residences have been provided multiple room air cleaners, resulting in significant reductions in particulate levels indoors.

Mission China makes influenza vaccines (aka "flu shots") available for Embassy and consulate personnel and dependents in accordance with standard State Department policies.

Question. Like many of my fellow Senators, I am appalled by the recent surge in the ivory trade, especially the increased demand in China leading to the growth in elephant killings in Africa.

- ◆ How will you address this issue with the Chinese, and what can the United States do to help China tighten its exports rules and punishments for acquiring illegal ivory in order to dissuade would-be buyers?

Answer. The United States is engaging China to reduce demand for illegally traded wildlife and wildlife products. Recently the United States and China each destroyed more than 6 tons of illegal ivory stockpiles seized through law enforcement action. I understand the United States plans to continue efforts to raise global awareness, including in China, of this pernicious trade and its devastating effects on wildlife. U.S. law enforcement agencies are working with Chinese authorities to improve wildlife law enforcement. At the 2013 U.S.-China Joint Liaison Group on Law Enforcement Cooperation, the U.S. cochairs proposed that the United States and China explore ways to cooperate further on wildlife trafficking. Law enforcement entities of the United States have joined with China and other countries, including several African nations, in collaborating and exchanging information through Operation COBRA 2, a follow-on operation to the highly successful Operation COBRA 1 in 2013, which targets wildlife traffickers at all points in the trade chain. In addition, the United States continues to encourage China, as APEC 2014 chair, to support the ongoing work of the Anti-Corruption and Transparency Experts Task Force on combating corruption and illicit trade, including wildlife trafficking, and to join U.S. workshops focusing on demand reduction under APEC's aegis.

Question. I think it is fair to say that we have seen an increasingly active Chinese Navy attempting to assert authority in sea-lanes that have been open for navigation for all countries for years. This behavior increases the risk of confrontation between countries in the region.

- ◆ What will you do to send a message to the Chinese that the international community and the United States, in support of its allies, will continue to support freedom of navigation in the region and how will you work specifically to de-escalate tensions and improve military to military communication between the United States and China and our partners and allies in the region?

Answer. If confirmed, I will encourage China to exhibit greater transparency with respect to its capabilities and intentions, and to use its military capabilities in a manner conducive to the maintenance of peace and stability in the Asia-Pacific region. I will reiterate that the United States has national interests in the Asia-Pacific region, including an interest in preserving the freedom of the seas and airspace. For over three decades, the U.S. Government has maintained a Freedom of Navigation Policy and Program. The U.S. Freedom of Navigation Program aims to preserve all of the rights, freedoms, and lawful uses of the sea and airspace for the United States and all nations by demonstrating that the United States does not accept maritime claims of other nations, including China, that are inconsistent with international law and impinge on the rights, freedoms, and uses of the sea that belong to all nations. The U.S. FON Program is global and is not directed at any single country. The U.S. FON Program is a multiagency effort, including both diplomatic activity and operational activity. As part of that diplomatic activity, I will do my part to encourage China to conform its maritime claims to international law, and encourage China to fully respect all of the rights, freedoms, and uses of the sea and airspace by other nations, including the United States. When appropriate, I will communicate to China the lawfulness of and need for the activities of U.S. military forces to preserve those rights, freedoms, and uses of the sea and airspace in the Asia-Pacific region.

If confirmed, I will support the continued development of military-to-military relations as a key component of the U.S.-China bilateral relationship. Deeper cooperation is necessary to further reduce mistrust and the risk of miscalculation between the U.S. and Chinese militaries.

Question. It is well known that China is hard at work conducting industrial espionage and attempting to acquire information on U.S. defense systems in order to both counter U.S. systems, but also to attempt to catch up to the U.S. military's technological superiority.

- ◆ What will you do as Ambassador to work with and send a message to the Chinese, that these export violations are unacceptable, and how will you work with U.S. companies doing business in China to ensure that they are following all applicable export laws meant to protect sensitive U.S. military and dual use technology when doing business with Chinese companies?

Answer. The United States is committed to facilitating normal trade with China for commercial items for civilian end-uses and end-users. Export controls, which affect only a very small amount of total bilateral trade (less than 1 percent), are not just an economic issue, but also a national security issue. China remains a pro-

scribed destination under the International Traffic in Arms Regulations, the federal regulation that implements the Arms Export Control Act, and is also the subject of separate statutory restrictions commonly referred to as "Tiananmen sanctions," requiring a Presidential waiver prior to the issuance of any export license to China for any defense article on the United States Munitions List. China's status in this regard is firmly established and well-known to U.S. and foreign defense companies engaged in legitimate and authorized defense trade.

The United States will continue to engage China on export control issues through the High Technology and Strategic Trade Working Group (HTWG), as reflected in the July 2013 Strategic and Economic Dialogue joint outcome statement. The HTWG is a longstanding dialogue under the Joint Committee on Commerce and Trade designed to further cooperation on export controls and high technology trade issues.

If confirmed, I would reinforce U.S. policy on export controls in discussions with Chinese officials and in meetings with U.S. businesses as appropriate. I would also raise export issues and cases of export violations as they arise.

RESPONSES OF MAX BAUCUS TO QUESTIONS SUBMITTED
BY SENATOR JOHN BARRASSO

Question. What leverage does the U.S. Government have to promote the development of human rights and rule of law in China? Are sanctions effective in encouraging China to comply with human rights standards? Are sanctions useful in persuading China to develop the rule of law? If confirmed, what actions will you take to help end the Government of China's policies of oppression and support the rights and freedom of the people of China? How do you plan to balance the engagement of China on economic issues with demonstrating serious concerns about China's human rights violations?

Answer. The greatest leverage we have is China's own desire to achieve greater international respect, a more innovative economy, and a prosperous and stable society. Our consistent message to China's leaders, and to the Chinese people, is that greater respect for universal human rights is key to achieving these goals. The United States does not hesitate to speak out when we believe that China is engaging in policies and practices, such as in Tibet or Xinjiang, that contravene China's international human rights commitments. The United States public advocacy for human rights causes no small amount of friction with the Chinese leadership. However, it is important that we continue to speak out, as we have with respect to the continued imprisonment of Nobel Peace Prize laureate Liu Xiaobo, the recent sentencing of legal activist Xu Zhiyong, the disappearance of lawyer Gao Zhisheng, and ongoing repression in Tibet and Xinjiang.

If confirmed, I will not hesitate to speak out and advocate for the respect for universal human rights and rule of law, but the use of economic sanctions to attempt to bring about human rights improvements is not likely to be effective with China. I believe economic sanctions would alienate us from the majority of Chinese people who have benefited from China's economic reform and integration into the global economy.

Promoting respect for universal human rights and the rule of law is integral to U.S. foreign policy. If confirmed, I would urge China's leaders to undertake key legal reforms and respect the rule of law and underscore the importance of an independent judiciary, a robust civil society and the free flow of information to China's prosperity and stability. I would also strongly support the annual U.S.-China Legal Experts Dialogue which provides an important channel to discuss our concerns about the rule of law and specifically the role of lawyers in Chinese society by bringing together judges, legal scholars, lawyers and prosecutors to discuss key legal issues.

If confirmed, I would raise our human rights concerns with Chinese officials at the highest levels and would raise specific cases of Chinese citizens who are being persecuted for the peaceful expression of their political or religious views. I would also make clear to China that the United States considers upholding its international human rights commitments to be vital to our bilateral relationship.

Question. What is the total cost of China's theft of U.S. intellectual property to the U.S. economy each year? Why hasn't the Government of China been able to establish an effective intellectual property rights enforcement regime? Is it based upon a lack of desire or ability on the part of the Government of China?

Answer. The protection and enforcement of intellectual property rights (IPR) in China are critical to maintaining a mutually beneficial trade relationship. According

to U.S. Customs and Border Patrol, China remains the leading source of counterfeit and pirated goods coming into the United States. My understanding is that China has taken some positive actions to improve IP legislation and enforcement in recent years; however, piracy and counterfeiting levels in China remain unacceptably high, and stronger enforcement mechanisms are needed. As the Commerce Department has reported, IP-intensive industries support at least 40 million U.S. jobs and annually account for approximately \$5 trillion in the U.S. economy.

If I am confirmed, one of the top priorities for the U.S. mission in China will continue to be to advocate for the protection and enforcement of intellectual property rights that are so critical for U.S. businesses.

Question. What role should the United States play in the territorial disputes in the East China Sea? In November, the U.S. Air Force flew two bombers through the East China Sea without notification after China declared an air defense identification zone. Do you support additional U.S. military operations that assert freedom of movement and show support to U.S. allies in the region?

Answer. If confirmed, I would speak clearly to Beijing regarding not only issues of shared interest, but also our differences, and faithfully represent the values, interests, and principles of the United States—including respect for international law and the freedom of navigation. I am clear-eyed about Chinese behavior vis-à-vis its neighbors over territorial and maritime matters.

China's announcement of an "East China Sea Air Defense Identification Zone (ADIZ)" caused deep concerns in the region. If confirmed, I would remind the Chinese that the United States does not recognize and does not accept the ADIZ, which we believe should not be implemented. I would make clear to China that it should refrain from taking similar actions elsewhere in the region. I would also encourage China to work with other countries, including Japan and the Republic of Korea, to address the dangers its recent declaration has created and to deescalate tensions.

If confirmed, I would reiterate that the United States has national interests in the Asia-Pacific region, including an interest in preserving the freedom of the seas and airspace. Where appropriate, I would communicate to China the lawfulness of, and need for, the activities of U.S. military forces to preserve those rights, freedoms, and uses of the sea and airspace in the Asia-Pacific region. For over three decades, the U.S. Government has maintained a Freedom of Navigation Policy and Program. If confirmed, I would support the continued development of military-to-military relations as a key component of the U.S.-China bilateral relationship. Deeper cooperation is necessary to further reduce mistrust and the risk of miscalculation between the U.S. and Chinese militaries.

Question. Do you believe that Taiwan should be invited to participate in U.S.-led military exercises? Do you support arm sales to Taiwan?

Answer. Taiwan and the United States enjoy unofficial but robust economic and cultural relations, and Taiwan is an important security partner to the United States. Consistent with the Taiwan Relations Act and the United States one-China policy, the United States makes available to Taiwan defense articles and services necessary to enable Taiwan to maintain a sufficient self-defense capability.

Taiwan does not formally participate in international coalitions or exercises. However, Taiwan does regularly train on weapons or platforms bought from the United States, which increases not only Taiwan's deterrence but also its humanitarian assistance capacity. Taiwan plays an increasingly significant role in disaster relief enterprises, such as relief to Palau and the Philippines after Typhoon Haiyan in November 2013.

If I am confirmed, my job will be to express to Chinese officials and people continuing U.S. support for improving cross-strait relations at a pace acceptable to people of both sides of the strait and to make clear the United States abiding interest in peace and stability across the strait.

Question. How would you characterize China's political and economic relationship with North Korea? What type of policy changes and actions would you like to see from China regarding North Korea? In what ways can the United States work with China to pressure North Korea on denuclearization?

Answer. The United States shares with China a common goal of achieving a denuclearized Korean Peninsula, which is essential to both regional stability and broader international security. China is a vital partner with a unique role to play due to its longstanding economic, diplomatic, and historical ties with North Korea. The administration continues to work with all U.N. member states, including China, to ensure the full and transparent implementation of UNSC sanctions.

As Ambassador, if confirmed, I would urge China to use its influence to convince North Korea that it has no choice but to denuclearize. The United States and China

need to continue to work together to hold the DPRK to its commitments and its international obligations, including those to abandon its nuclear weapons and existing nuclear programs in a complete, verifiable, and irreversible manner. If confirmed, I would continue to encourage Beijing to ensure the full and transparent implementation of U.N. Security Council sanctions targeting North Korea's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs.

Question. If confirmed, what policies will you support to address Internet censorship and promote media freedom in China?

Answer. I am concerned that Internet restrictions in China have worsened. It is troublesome to see the blocking of so many Web sites due to the "Great Firewall," which limits access to information, including international media Web sites; new restrictions on social media, including a crackdown on what the Chinese Government terms "online rumors"; and the censorship of Internet search engine results. If confirmed, I would raise objections over the blocking of media and social media Web sites with Chinese counterparts, making clear that these actions are inconsistent with China's international commitment to respect freedom of expression. If confirmed, I would express to Chinese officials that obstructing the free flow of information undermines the kind of open environment for free debate and discussion that supports innovation and economic dynamism.

I am deeply concerned that foreign journalists in China continue to face restrictions that impede their ability to do their jobs, including extended delays in processing journalist visas and press credentials, restrictions on travel to certain locations deemed "sensitive" by Chinese authorities and, in some cases, violence at the hands of local authorities. These restrictions and treatment stand in stark contrast with U.S. treatment of Chinese and other foreign journalists.

If confirmed, I would urge China to commit to timely visa and credentialing decisions for foreign journalists, unblock international websites, and eliminate other restrictions that impede the ability of journalists to practice their profession.