

# NOMINATIONS OF THE 110TH CONGRESS—SECOND SESSION

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## HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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JANUARY 30 THROUGH SEPTEMBER 24, 2008

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Printed for the use of the Committee on Foreign Relations



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S. HRG. 110-777

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COMMITTEE ON FOREIGN RELATIONS  
110TH CONGRESS—FIRST SESSION

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CHRISTOPHER J. DODD, Connecticut	RICHARD G. LUGAR, Indiana
JOHN F. KERRY, Massachusetts	CHUCK HAGEL, Nebraska
RUSSELL D. FEINGOLD, Wisconsin	NORM COLEMAN, Minnesota
BARBARA BOXER, California	BOB CORKER, Tennessee
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JIM WEBB, Virginia	DAVID VITTER, Louisiana

ANTONY J. BLINKEN, *Staff Director*

KENNETH A. MYERS, Jr., *Republican Staff Director*

\*Note: Reassigned to Committee on Finance January 24, 2008.

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COMMITTEE ON FOREIGN RELATIONS  
110TH CONGRESS—SECOND SESSION

JOSEPH R. BIDEN, Jr., Delaware, *Chairman*

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JIM WEBB, Virginia	JOHN BARRASSO, Wyoming*

ANTONY J. BLINKEN, *Staff Director*

KENNETH A. MYERS, Jr., *Republican Staff Director*

\*Note: Appointed February 12, 2008.

## NOMINATIONS

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WEDNESDAY, APRIL 9, 2008

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

Haslach, Patricia M., to be United States Senior Coordinator for  
the Asia-Pacific Economic Cooperation (APEC) Forum  
Marciel, Scot A., to be United States Ambassador for ASEAN Af-  
fairs  
Stephens, D. Kathleen, to be the Ambassador to the Republic of  
Korea  
Todd, William E., to be Ambassador to the State of Brunei  
Darussalam

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The committee met, pursuant to notice, at 3:15 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Barbara Boxer presiding.

Present: Senators Boxer, Webb, and Murkowski.

Also Present: Senator Kennedy.

### OPENING STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM CALIFORNIA

Senator BOXER. Good afternoon, everybody. Today, the full Senate Foreign Relations Committee meets to consider four distinguished nominees for ambassadorial posts.

As chair of the Subcommittee on East Asian and Pacific Affairs, I am extremely pleased to welcome our nominees, and I am also pleased to welcome our colleague and my dear friend, Senator Kennedy, who has come today to say a few words about Ms. Kathleen Stephens. And how lucky you are to have his support.

Ms. Stephens, the President's nominee to be the ambassador to the Republic of Korea, has served her country as a career member of the Foreign Service for 30 years, most recently serving as the political advisor in the Bureau of East Asian and Pacific Affairs. Ms. Stephens has had an expansive career throughout Europe and Asia, but I understand this post will bring her back to where she served as a Peace Corps volunteer before joining the Foreign Service. That is a really wonderful circle.

Mr. Scot Marciel, sir, the President's nominee for the rank of ambassador for the Association of South Asian Nations Affairs, has served his country as a member of the Foreign Service for more than 22 years. If confirmed, Mr. Marciel will serve as the ambassador while also serving his current post as the Deputy Assistant

Secretary of State for East Asian and Pacific Affairs. Mr. Marciel has extensive experience in Asia, having served in Hong Kong, Thailand, Vietnam, and the Philippines.

Ambassador Patricia Haslach—hello—is the President's nominee to be the U.S. senior coordinator for the Asia-Pacific Economic Cooperation Forum, with the rank of ambassador. Ambassador Haslach has served as the U.S. senior coordinator to APEC since last year.

During today's hearing, we will consider the Honorable Patricia Haslach for promotion and nomination to the rank of ambassador. Prior to her current post, she served as the director for the Office on Afghanistan in the Bureau of South Asian Affairs and the U.S. Ambassador to Laos.

And finally, Mr. William Todd is the President's nominee to be the U.S. Ambassador to Brunei. Mr. Todd is a member of the Senior Executive Service. He currently serves as the Deputy Inspector General for the Department of State. Prior to this assignment, he served as the Deputy Assistant Secretary for Civilian Police, Rule of Law, Asia, Africa, and Europe in the Bureau of International Narcotics and Law Enforcement Affairs. Mr. Todd has served the U.S. Government in a variety of other posts since beginning his career in 1983.

I want to thank all of you for your amazing dedication to our country. It goes without saying that we are considering a number of very important posts today, as we look to define the future role of the United States in Asia and the Pacific region. While that role has yet to be fully shaped, for many of us, one thing is clear. The 21st century will be defined as much by the Pacific and Asia—by the Pacific and by Asia as it will be by our traditional relationships in the Atlantic region and Europe.

And of course, coming from California, I particularly know that I am right on that point. Not only—and I am sure that I speak for Senator Murkowski, too, given her representation of Alaska.

Not only do we have an extensive and growing economic relationship in Asia and the Pacific, but all of the major transnational challenges faced by the United States today have a place there, including terrorism, nuclear proliferation and arms trafficking, climate change, epidemic diseases such as avian flu and HIV-AIDS, the flow of refugees, and human trafficking.

One place where a number of these challenges continue to play out is on the Korean peninsula, and one of the places where climate change could have a particularly harsh impact is Brunei, a country where 70 percent of the territory is primal tropical rain forest and whose economy is looking toward ecotourism to help sustain it into the future.

Our success or failure at addressing these challenges will be defined by the extent of the cooperation we can get from this region of the world. And so it is important that we seek comprehensive and sustained engagement with all of the countries in East Asia and the Pacific.

As we seek to advance human rights in Burma and bring meaningful pressure to bear on the Burmese regime, we must ask more of our friends and allies in Asia, and this must be done. The Burmese regime must be held accountable for its continued failure to

afford its people the fundamental rights and freedoms they deserve and they have demanded.

The United States also faces challenges with China. We all know this. As China asserts itself in the region, we need to press the Chinese to play a constructive role and to abide by international standards and norms, particularly on the issue of human rights that we know was in the news today regarding Tibet.

So, to do that, we need people like those in front of us here—dedicated, experienced people. And so, you certainly have your work cut out for you.

Now the way we are going to proceed is I am going to turn to Senator Murkowski for her opening statement, if she has one. Then we are going to turn to Senator Kennedy. And at that time, we will then turn to Senator Webb for his opening statement, and we will go from there.

Senator Murkowski.

**STATEMENT OF HON. LISA MURKOWSKI,  
U.S. SENATOR FROM ALASKA**

Senator MURKOWSKI. Thank you, Madam Chairman, and thank you for holding the hearing here this afternoon.

You have touched on the relationship, but when we think about the United States relationship with our Asia-Pacific neighbors, truly the four individuals that we have before us today, who have been nominated to these posts, these are truly very key posts within that region.

APEC, with its significant economic and a growing noneconomic role, the importance of the ASEAN nations as they move forward politically and economically. I am pleased that the administration agreed with the Congress on the need to appoint an ambassador to the ASEAN nations. Brunei, certainly despite its very small geographic size, can play a very significant role as a moderate Islamic nation in helping the United States standing with other Islamic nations. Of course, South Korea, our seventh-largest trading partner. We have got quite a significant military presence in country, and of course, Seoul plays a very instrumental role in the Six-Party Talks on North Korea's nuclear program.

I would like to put on the record that I am very hopeful that South Korea will soon be able to participate in our Visa Waiver Program. I believe that we are close in meeting the requirements to be eligible for this program or that Korea is close to being eligible, and I certainly support their inclusion in that.

Each post is very key, very important, and will have a vital role in shaping U.S. policy in the region. I look forward to the hearing from the nominees on what action they individually will take to promote the United States interests in the region and am delighted to have the four of you before us this afternoon and your willingness to serve.

Thank you, Madam Chair.

Senator BOXER. Senator Kennedy, why don't you introduce your friend.

Senator KENNEDY. Yes.

Senator BOXER. And then after that, we will call on her.

**STATEMENT OF HON. EDWARD M. KENNEDY,  
U.S. SENATOR FROM MASSACHUSETTS**

Senator KENNEDY. Thank you very much, Senators Boxer, Murkowski, and Senator Webb. I am very grateful for the opportunity to make some brief comments this morning, Madam Chairman and members of the committee, to introduce Kathleen Stephens, who has been nominated to be the Ambassador to the Republic of Korea.

I first met Kathy in Northern Ireland in 1998, when she was counsel general to the United States consulate in Belfast. Previously, she had served in the National Security Council under President Clinton. At that time, the situation in Northern Ireland was very different from what it is today. But by 1998, significant progress was taking place. In fact, tomorrow, April 10, we celebrate a dramatic milestone of the 10th anniversary of the Good Friday agreement, peace agreement.

As Kathy and all of us remember so well, ending the decades of hatred, violence, and bloodshed in Northern Ireland and achieving a peaceful resolution of the conflict was an enormously difficult challenge. But today, we see the people of Northern Ireland living in peace and prosperity and fulfilling their dreams and pursuing a promising future.

Through her work on the National Security Council and at the consulate in Belfast, Kathy was significantly involved in the peace process. I was impressed with her diplomatic skills and her positive ties with the principal political leaders on both sides. She knew the many complex details involved in the peace negotiation. She offered perceptive insights about the complicated political process taking place.

Her son, James, who was with her in Belfast, is now here today at Olin College of Engineering in Needham, MA.

Kathy's work on the Balkans has been impressive. As Deputy Assistant Secretary for Burma—for the Bureau of European and Eurasian Affairs from 2003 to 2005, she worked on Kosovo's future status and the integration of the Western Balkan nations in Europe. She ably managed our policy with countries in the region to see that America's interests were protected and promoted, and her work has left a lasting imprint. And I am sure she is very pleased, as I am, by the recent independence of Kosovo and by last week's announcement that Albania and Croatia have been invited to join NATO.

More recently, as political advisor and Principal Deputy Assistant Secretary for the Bureau of East Asia and Pacific, Kathy has been closely involved in strengthening our relations with the nations in that region as well, particularly Japan and Korea. And it is fitting that she is now being nominated to be Ambassador to Korea, a country that she has lived in and has known well for many years, beginning in 1975, when she was a Peace Corps volunteer there, teaching English to young Korean students.

She returned to Korea in 1983 as a political advisor and human rights officer at the American Embassy, and she is a strong advocate for human rights and equality for all. I am delighted that the administration has selected such a talented and dedicated diplomat to represent us. She will be the first woman to serve as an Amer-



ican Ambassador in Korea, the first American Ambassador there to be fluent in Korean, and the first American Ambassador who was once a Peace Corps volunteer in Korea.

She is a consummate diplomat with ability, experience, and vision to represent the United States extremely well in a nation vital to our foreign policy in today's world. I strongly support Kathleen Stephens's nomination as our next Ambassador to Korea.

Senator BOXER. Senator, thank you so much. I know you have a busy schedule. We so appreciate your coming.

And before we call on Ms. Stephens to introduce her family and make her statement, I know Senator Webb had some comments, in general, that he would like to share.

**STATEMENT OF HON. JIM WEBB,  
U.S. SENATOR FROM VIRGINIA**

Senator WEBB. Thank you, Madam Chairman.

I wanted to come here today just to express my support for all the nominees. They are obviously extremely qualified and to especially express my gratefulness that we are nominating people like Kathleen Stephens and Scot Marciel, both of whom I have known at some level. And everything that Senator Kennedy just pointed out, I think is illustrative of the incredible qualifications that we have in the person that we are sending to South Korea at a time when relations with that country and on the Korean peninsula are in such a period of change. It is kind of a remarkable set of credentials to be bringing to the table at this key time.

And also, as someone who has spent a great deal of my life in and out of Southeast Asia, I would like to reiterate what other people are saying about how important it is that we have created this position that Scot Marciel is going to be occupying. We tend to look at so many of our relationships in Southeast Asia as bilateral relationships at a time when the region itself is coming together in a more collective way to try to deal with problems, and I think it is very important for our country that we have this sort of representation at ASEAN.

And quite frankly, we need new solutions in Southeast Asia, and the Burmese situation is a good example of that. The ways that we have been trying haven't really worked in terms of solving the problem. And there are other ideas that we can work on with other nations maybe to come to a better solution there and in other places. And we have the right person to be doing that. I have got a great deal of confidence in him and look forward to seeing our relationships in Southeast Asia mature and move forward with this new position.

Thank you very much.

Senator BOXER. Thank you so much, Senator Webb.

So now, Ms. Stephens, would you like to introduce some folks you may have brought with you? And I will offer that to all of the nominees.

**STATEMENT OF D. KATHLEEN STEPHENS, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF KOREA**

Ms. STEPHENS. Yes, thank you very much. It is a great privilege to be here today, and I do want to thank Senator Kennedy so much

for his very, very generous introduction. If I look a little flushed, it is not just the excitement of the moment. I am blushing a bit because it was very, very generous.

And thank you for recalling our work together, and I do thank you for our work together and the work that I have enjoyed doing throughout my 30-year career with all of the members of Congress in promoting U.S. ideals and interests abroad. I look forward to doing the same if I am confirmed.

My son, as mentioned, is here. He is 21 years old. James, studying engineering at Olin College.

Senator BOXER. James, why don't you stand up so we can say hi to you? Thank you for being here for your mom.

Ms. STEPHENS. James is studying engineering, but he had to be a bridge builder before that because he is a Foreign Service kid, and I am very proud of him.

If I may, Madam Chairman, I wanted to also introduce two great mentors of mine.

Senator BOXER. Sure.

Ms. STEPHENS. Ambassador James Lilley, who was my boss in the Republic of Korea during some very exciting times in the 1980s and, of course, was also United States Ambassador to the People's Republic of China. I learned so much from him.

Senator BOXER. Ambassador, will you stand, please, so we can recognize you? Thanks. It is very nice to see you again.

Ms. STEPHENS. And Mr. Jon Keeton, who was Peace Corps Korea director in the 1970s. Both of these men have done so much for our country, and I thank them for their example.

Senator BOXER. Thank you both.

Okay, we will start the clock going now at 7 minutes, and we will move forward. Yes. Go ahead.

Ms. STEPHENS. Oh, I am sorry.

Senator BOXER. This is your turn. [Laughter.]

Ms. STEPHENS. Okay. This is my first time doing this.

Senator BOXER. Well, so far, you are doing well.

Ms. STEPHENS. Thank you.

Madam Chairman, I wanted to start by saying it has been mentioned that I lived in Korea many years ago, and in the years ago, I used to hear a phrase from Koreans quite often, even when I didn't speak much Korean. When they talked about the United States-Korean relationship, they would talk about "Hyal Maeng Gwan-gei." And literally, that is an alliance forged in blood.

I am not sure that is said so much these days, but over a 60-year history of our relationship, the United States and the Republic of Korea have faced many challenges. There have, of course, been immense changes in both countries and in the world around us. But the partnership between our two countries has remained vital.

I think this is the time to reinvigorate our partnership and to take it to a new level. Many of the goals the United States and Korea have been pursuing together for many years are within our grasp—a more mature and balanced military partnership, tariff-free trade, and the prospect of positive change in the North. So I believe that the most important work and the best days of the United States-Korean partnership are still ahead of us.

Madam Chairman and Senator Murkowski, I have submitted a written statement, which is rather lengthy. It goes into more detail than time allows me here, and it is lengthy because we have a very big agenda with Korea. But you know, in Korea, there is always breaking news. And even though I submitted my statement yesterday, it doesn't include comment on some important events that actually have occurred in the last 24 hours.

And to name just a few as a sample, the National Assembly elections concluded in Korea today, given the time difference. Ambassador Chris Hill's meeting earlier today in Beijing with his Republic of Korea counterpart in the Six-Party Talks. And my favorite, the first Korean astronaut in space, a woman, Yi So-yeon, by the way.

Each of these events reflects the breadth and vitality of Korea itself and the potential for our future cooperation together. So, if confirmed, I look forward to working with this committee and with other members of Congress on a number of goals, which I will very briefly enumerate.

First, working with my military colleagues and the Republic of Korea in adjusting our military forces on the peninsula. This includes moving our main United States military base out of downtown Seoul and preparing for the transfer of wartime operational control of Korean forces to the Republic of Korea in 2012.

And expanding our global partnership with the Republic of Korea and deepening our cooperation in the kinds of areas that Senator Murkowski mentioned, from climate change to energy security and many, many more.

And third, promoting open markets, fair trade, and U.S. economic leadership in the region. This includes ensuring that the Republic of Korea follows international guidelines and fully reopens its market to United States beef. It also includes the consideration by legislatures in both countries of the free trade agreement we have signed. This is a comprehensive, high-quality agreement between two democracies with advanced economies. It will open South Korea's growing market of 49 million consumers to the full range of United States goods and services from agriculture to autos to telecommunications services.

It will also strengthen our relationship with Korea and send a strong message of continued United States leadership in Asia. If confirmed as ambassador, upon FTA ratification, I am committed to working closely with the U.S. trade representative to ensure that all the provisions of the agreement are enforced across the board.

Another key item on our agenda already mentioned is our effort to implement fully the September 2005 Statement of Principles agreed to in the Six-Party Talks. The full implementation of these principles envisions not only the denuclearization of the Korean peninsula, but transformed relations on the peninsula and beyond and more secure and better lives for all Koreans.

We have made progress, but much remains to be done, and it hasn't been easy, as I know this committee well knows. Working closely with our allies in Seoul is vital. Ambassador Hill has just completed a round of meetings in Singapore and Beijing and will be reporting to Secretary Rice when he arrives back this evening.

Issues related to North Korea will be on the agenda when President Lee and President Bush meet next week at Camp David. If confirmed, I will also work closely and energetically with the South Korean Government to promote an improved human rights situation in North Korea and to seek sustainable solutions to the plight of North Korean asylum seekers.

I also hope we can deepen the people-to-people ties between our two countries. Congress has provided legislation allowing us to work with the Republic of Korea on the steps needed to facilitate entry into our Visa Waiver Program, and I thank Senator Murkowski for her mention of this.

If confirmed, I will work with the Koreans and our own authorities toward this end. In my own activities and those of the embassy, I will put a strong emphasis on outreach, on building our ability to communicate in Korean as well as in English, in cyberspace as well as face-to-face with Koreans from all walks of life, from all generations, and every part of the country.

Madam Chairman, Senator Murkowski, thank you very much for the honor of appearing before you, and I look forward to your questions.

[The prepared statement of Ms. Stephens follows:]

PREPARED STATEMENT OF D. KATHLEEN STEPHENS, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF KOREA

Madame Chairman and members of the committee, it is a privilege to appear before you today as the President's nominee to serve as U.S. Ambassador to the Republic of Korea. I am honored by the confidence that President Bush and Secretary Rice have placed in me. I want to thank the committee and the other Members of Congress with whom I have had the pleasure of working during my career for your support for the Foreign Service and your dedication to advancing U.S. ideals and interests abroad. If confirmed by the Senate, I look forward to working with this committee and with other members of Congress to strengthen our partnership with the Republic of Korea and to work together for the kind of peace and stability in which democracy and economic opportunity can flourish, not only on the Korean peninsula, but also throughout the world.

I am joined today by my son, James, who is a student at Franklin W. Olin College of Engineering in Needham, MA. James was born in Korea. Like all Foreign Service family members, he learned to be a bridge-builder, even before he decided to study engineering.

I am also grateful to my friends and colleagues from the Peace Corps and the Foreign Service who have joined me today, including the dedicated men and women of the Department of State who have been so helpful as I have prepared for this new assignment. I also want to recognize Ambassador James Lilley, former U.S. Ambassador to the Republic of Korea and the People's Republic of China, and Mr. Jon Keeton, former Peace Corps/Korea director. Both have represented the United States brilliantly in Korea and elsewhere, and both have contributed hugely to United States-Korean relations. I have benefited from their mentorship, encouragement, and example.

I have been a U.S. Foreign Service officer for 30 years. Early in my career, I spent 8 memorable years at United States diplomatic posts in China and Korea. With the fall of the Berlin Wall, I turned to post-cold war Europe with assignments abroad and in Washington focused on the Balkans, the search for peace in Northern Ireland, and the changing transatlantic relationship. In 2005, I returned to the United States diplomatic agenda in East Asia. As this committee knows well, it is a huge agenda on which success is vital to the peace and prosperity of this country and indeed of the world. I believe we are making good progress.

Madame Chairman, if we consider the history of American engagement in East Asia since the Second World War, if we examine the flowering of economic opportunity and democratic expression in much of East Asia in recent decades, if we identify the key security, human rights, and other issues yet to be resolved, it is clear—the 60-year-old partnership between the United States of America and the Republic of Korea has been and remains a remarkably successful and vital one. South Korea

emerged from a catastrophic half-century of occupation, division, and war to join within the space of only decades the top ranks of the world's free and prosperous nations. This stunning achievement is testimony to the talent, determination, and sacrifices of several generations of Koreans, and to the power of free markets and democracy to unleash extraordinary human potential. It is also rightly viewed in the context of the sacrifice of the more than 35,000 Americans who lost their lives in the Korean War, and to the many thousands who have served side by side with our Korean allies to secure an uneasy peace since then. With the Republic of Korea serving today as a model and a catalyst for economic growth and democratic development elsewhere, in Iraq, Afghanistan, and in its own neighborhood, I believe the best days of the United States-Korean partnership are still ahead of us.

One reason I am an optimist about Korea's future, and about the still-untapped potential of the United States-Republic of Korea partnership, is because I was fortunate enough to live and work in Korea during periods of amazing economic and political transformation. In the Korean countryside that was my home as a Peace Corps volunteer from 1975 to 1977, the memory and threat of war was the backdrop to a life that was harsh for many, not easy for any. The political atmosphere was stifling. But an economic and social transformation was happening before my eyes. I could see the way people's standards of living were improving in small but crucial ways day by day, and the way new opportunities—for education, for a brighter future—were being created and energetically grasped.

When I returned to Korea in 1983 as a political officer at the U.S. Embassy in Seoul, burgeoning economic growth had been joined with increasing urgency by a growing insistence by Koreans that economic development should be matched with political reform, with human rights standards and democratic institutions that reflected the aspirations and maturity of the Korean people. It was a difficult period, at times for United States-Korean relations, but especially for the patriotic Koreans who took risks in the cause of Korea's democratization. By 1987, the tide had turned. Just as an earlier generation of Koreans had against all odds turned their country from an economic disaster zone into a powerhouse, so did Koreans in the 1980s take Korea across the democratic threshold.

Koreans have never looked back. The twin engines of a dynamic economy and a vibrant democracy have lifted Korean accomplishments to new heights and new fields. We see it in Korea's status as Asia's "most wired country," in its innovative mobile phone industry that made South Korea the first to launch digital TV to cell phones in 2005, in its cutting-edge, globally-recognized film and art scene, and in its full participation in the international community, epitomized by the election of its distinguished former Foreign Minister, His Excellency Ban Ki-moon, as the Secretary General of the United Nations.

Madame Chairman, Senate Resolution 444, which passed unanimously on February 14, marked another milestone in Korea's recent history, that of the election of the Republic of Korea's new President, Mr. Lee Myung-bak. The resolution describes the ever-growing areas in which the Republic of Korea and the United States work together closely in our alliance partnership, and highlights the opportunities before us to expand further our areas of cooperation. In that spirit, it is fitting that President Lee's first overseas trip in his new role is to the United States. President and Mrs. Bush will host President Lee and his wife, Mrs. Kim Yoon-ok, at Camp David next week for discussions that will focus on ways in which the United States and the Republic of Korea can continue to work together to advance our shared values of freedom, security, and prosperity in East Asia and beyond.

This year, 2008, marks the sixtieth anniversary of the founding of the Republic of Korea as well as the sixtieth anniversary of the United States-Republic of Korea relationship. As we reflect on our shared history of sacrifice and success, and as we examine the regional and global opportunities and challenges we face, the time is right to reinvigorate and maximize the mutual benefits of our partnership. If confirmed, I look forward to working with Congress to realize this goal. There are several major areas in which I intend to concentrate my efforts.

#### ADAPTING OUR LONGSTANDING SECURITY ALLIANCE WITH SOUTH KOREA TO ADDRESS CONTEMPORARY REALITIES

The United States and the Republic of Korea have agreed to adjust the size and strategic stance of our respective military forces on the peninsula to reflect better the challenges we face today and the changes in the Republic of Korea itself. We are working with our Korean counterparts to move the main United States military base out of downtown Seoul, and to consolidate United States troops in the Republic of Korea overall to fewer hubs further south. We have agreed to transition our command relationships such that beginning in 2012, the Republic of Korea will exercise

wartime operational control over Korean troops. These steps are sensible and timely. The changes overall will reflect Korea's economic and military strength, and its place in the world and the region. The changes will also strengthen the U.S. military's operational efficiency and deterrent capability. If confirmed, I will work closely with the Korean Government, my military colleagues, and with the Congress to accomplish this transformation.

The core mission of deterring aggression from the North will remain the principal priority. But we should continue to deepen our cooperation with the Republic of Korea as we address other regional and global challenges. We should build on the work we have done together in Iraq, Afghanistan, and Lebanon. In Iraq's Irbil province, the Koreans have been successful not only in developing local infrastructure and maintaining security, but also in providing a vision for a more democratic and peaceful future. The Republic of Korea has made substantial contributions to international peacekeeping efforts, from Somalia to Georgia to Timor-Leste. The Republic of Korea currently has some 350 troops in southern Lebanon supporting the U.N. peacekeeping mission. The South Korean National Assembly is considering legislation to allow even greater participation in peacekeeping missions. We should also continue to expand our cooperation on a range of global and transnational issues, such as nonproliferation, pandemics, counterterrorism, climate change, and democracy promotion.

PROMOTING OPEN MARKETS, FAIR TRADE, AND U.S. ECONOMIC  
AND STRATEGIC LEADERSHIP IN THE REGION

The Republic of Korea has gone from a per capita income of \$67 in 1953 to roughly \$20,000 today. In the past several years, South Korea has demonstrated a growing willingness to move to greater market openness. It has demonstrated its resolve to participate in free and fair trade by making the strategic decision to negotiate and sign a comprehensive, high-quality free trade agreement with the United States. Upon approval by the legislatures of both countries, the KORUS FTA will open South Korea's growing market of 49 million consumers to the full range of United States goods and services, from agriculture to autos to telecommunications services.

The KORUS FTA is the most commercially significant free trade agreement the United States has concluded in over 15 years. Just taking into account the benefits of eliminating tariff barriers alone, this trade agreement has the potential to boost U.S. exports by more than \$10 billion annually, according to the recent International Trade Commission report on the expected impact of the FTA. The benefits are even more significant when the elimination of nontariff barriers is factored in. It will accelerate and lock in Korea's economic reforms. The FTA will provide new opportunities for American companies to export to and invest in the Korean market. It will strengthen our relationship with a key democratic ally in a critical part of the world, and send a strong message of continued United States leadership in Asia. If confirmed as ambassador, and upon FTA ratification, I will make it a top priority to work with the United States Trade Representative to ensure that the provisions of the agreement are enforced across the board. This includes enhancing our current cooperation with the South Koreans on environment and labor standards.

Moreover, we must ensure that the Republic of Korea follows international guidelines and fully reopens its market to United States beef. If confirmed, and as the progeny of Texas ranchers, you can be assured I will do all I can to ensure that our safe and delicious beef has unrestricted access to the South Korean market.

WORKING CLOSELY WITH OUR SOUTH KOREAN ALLIES TO ACHIEVE THE COMPLETE,  
VERIFIABLE DENUCLEARIZATION OF THE KOREAN PENINSULA, BETTER LIVES FOR THE  
LONG-SUFFERING PEOPLE OF NORTH KOREA, AND A PEACE SETTLEMENT ON THE PE-  
NINSULA THAT REFLECTS THE ASPIRATIONS OF THE KOREAN PEOPLE

Strategically situated between China and Japan, the Korean peninsula remains of critical geopolitical importance to the region and to the United States. Despite the prosperity and freedom that has come to define the Republic of Korea, the situation on the peninsula as a whole remains unpredictable. On a human level, the disparity between the lives of the ordinary citizens of North and South Korea is greater than ever. The United States seeks through the Six Party Talks to complete the denuclearization of the Korean peninsula and to implement fully the vision set out in the Joint Statement of Principles agreed to by all six parties in September 2005. Our close coordination with the Republic of Korea in that process has been instrumental to the progress made to date, and if confirmed, I will seek to ensure that we continue that vital cooperation. With successful denuclearization, the joint statement commits the United States and the other parties to the normalization of rela-

tions, to economic and energy assistance to North Korea, and to achieving a permanent peace arrangement in Korea, along with a peace and security mechanism for the region. It is an ambitious agenda. The United States and the Republic of Korea will need to work closely together to succeed.

As democratic societies, the United States and South Korea also share a deep interest in promoting an improved human rights situation in North Korea. This interest is particularly keen among the many Koreans whose families were tragically separated by the Korean War. President Lee and his government have made clear the importance the Republic of Korea attaches to this issue. The United States has equally deep resolve. If confirmed, I will work closely with the South Korean Government on the issue of human rights in North Korea, including in seeking sustainable solutions to the plight of North Korean asylum seekers.

ENHANCING THE PEOPLE-TO-PEOPLE TIES BETWEEN OUR TWO COUNTRIES  
AND DEEPENING MUTUAL UNDERSTANDING

The people-to-people ties between the United States and Korea continue to grow exponentially. The 2 million Korean-Americans in the United States and Korea play a positive and ever-growing role in strengthening the ties between our two countries. Tourism from the Republic of Korea is on the rise, topping 800,000 visitors last year. Over 100,000 Korean students are studying in the United States. South Korean investment and business interests are also growing. In 2006, South Korea was our 7th largest trading partner and the 18th largest source of foreign direct investment in the United States.

These facts, combined with Korea's stable democracy and our strong alliance partnership, make South Korea a natural candidate for the Visa Waiver Program. If confirmed, I will work with the Government of the Republic of Korea to address the legislative requirements for entry into our Visa Waiver Program, including increased information sharing, greater law enforcement cooperation, and the timely production of a South Korean electronic passport. I will work with the Department of Homeland Security and with Korean authorities to ensure that, consistent with congressional and administration requirements, the security, immigration, and law enforcement interests of our Nation are strengthened by the inclusion of the Republic of Korea in the Visa Waiver Program.

I also look forward to leading our embassy's efforts to communicate our ideas and priorities as a Nation to the South Korean people. Much has changed since I last lived in Korea. I will need to do a lot of listening and learning. I will ask the forbearance of my audiences as I attempt to improve my Korean language ability and to use it to understand better a culture and people I respect so deeply.

I will build on the embassy's reputation of being on the leading edge of United States diplomatic missions in the use of innovative technologies to reach out to South Korea's plugged-in public. I look forward to supporting programs such as the Korean-American Educational (Fulbright) Commission. This year alone, there are 114 United States grantees in Fulbright programs in Korea, and 82 Korean grantees in programs in the United States. Just last week, the Asia Society, devoted to improving ties between Americans and the diverse people of Asia, opened a new regional center in Korea. The American Chamber of Commerce in Korea, or Amcham Korea, has an impressive record of bringing American and Korean business people together. These organizations and the multitude of other United States-Korea educational, cultural, spiritual, and artistic exchanges epitomize the breadth and depth of the United States-Korean relationship in the 21st century.

LEADERSHIP OF THE EMBASSY COMMUNITY; PARTNERING WITH  
OUR COLLEAGUES IN UNIFORM

If confirmed, I will lead a complex diplomatic mission in the Republic of Korea consisting of 575 employees, including staff in the United States Embassy in Seoul and the American Presence Post in Busan. Of that number, 184 are U.S. citizens representing 15 U.S. Government agencies and offices, and 391 are locally hired United States and Korean citizen staff. All the staff serve our country in a mission that is categorized by the State Department as "historically difficult to staff" due to unique linguistic and other challenges. Among the U.S. citizen employees currently at post, 44 possess a working to fluent level of Korean language skills. I look forward to rounding out that number to 45, if confirmed. I will do my best to ensure that all members of the diverse community at Embassy Seoul and their families have the leadership, security, and support they need to get their jobs done, serving and representing the American people, and strengthening our partnership with South Korea. One high priority will be to hasten the day when we are able to move into a new embassy building that better represents the modern United States-Re-

public of Korea partnership. It will also be my privilege to serve with the committed, hard-working men and women of United States Forces Korea. I have had the pleasure of getting to know here in Washington, Lieutenant General Walter Sharp, who has been nominated to be Commander of United States Forces Korea. If we both are confirmed, I look forward to a close and productive service together in Korea.

Thank you very much. I look forward to your questions.

Senator BOXER. Thank you so much, Ms. Stephens.

And now it is my pleasure to introduce Mr. William Todd to be Ambassador to the State of Brunei. And sir, if you have anyone you would like to introduce, please do so. And then we will start the clock, give you 7 minutes.

**STATEMENT OF WILLIAM E. TODD, NOMINEE TO BE  
AMBASSADOR TO THE STATE OF BRUNEI DARUSSALAM**

Mr. TODD. Thank you, Madam Chairman.

My wife, Ann.

Senator BOXER. Ann, you want to stand, please.

Mr. TODD. She has put up with a heck of a lot while I have been getting ready for this hearing. So I owe her public thanks and thank her for her love and support.

Senator BOXER. Very good.

Mr. TODD. Thank you. Madam Chairman and Senator Murkowski, members of the committee, I deeply am honored to come before you today as President Bush's nominee to be the next American Ambassador to Brunei Darussalam, which is known as the abode of peace.

I want to thank Secretary Rice and the President for their confidence in nominating me for this position. If confirmed by the Senate, I will work closely with the committee, interested Members of Congress, and other Americans to further advance United States interests in Brunei.

Madam Chairman, a little over a year after 9/11, the Sultan of Brunei came to Washington and met with the President. At that meeting, the President and the Sultan agreed to four goals and objectives. The first were closer counterterrorism cooperation. The second were more military-to-military visits and collaboration. The third, expanded trade and investment. And lastly, the fourth, expanded educational opportunities for Bruneians to study in America.

I am happy to report that both of our governments have made progress in all four of these areas, and if confirmed, I will continue to vigorously pursue these goals.

Madam Chairman, I also wanted to add two or three very important goals for my team and I to focus on, if confirmed. First, the last few years have been a challenging time for America's image in some parts of the world. I think we have an opportunity to regain some of the ground we lost through more public diplomacy, outreach, engagement with this moderate Muslim nation.

Second, I hope to be able to expand on the environmental programs in Brunei, like the Heart of Borneo Initiative, which was created to safeguard the future of Brunei's tropical rainforests. This program has only been around for approximately a year, but it is showing great promise.



Last, I will aggressively manage the construction of the new Embassy in Brunei, ensuring that it becomes a model for safe, secure, environmentally friendly new small embassies.

Madam Chairman, I believe the broad range of experience I have gained during my 25-year career in the Federal Government will assist me in accomplishing these goals. I have served in the Senior Executive Service for more than 10 years. I am currently the Acting Inspector General for the State Department and the Broadcasting Board of Governors. In this capacity, I oversee all OIG activities, both domestically and abroad.

Previously, I directed the day-to-day global operations in the State Department's Bureau of International Narcotics and Law Enforcement, spearheading programs to combat illicit narcotics, international crime and terrorism, and to strengthen rule of law institutions and law enforcement capabilities all over the world, including in Southeast Asia.

During the mid 1990s, I worked in a senior position in the United States and Foreign Commercial Service, helping to promote U.S. trade and investment abroad. In this capacity, I helped create and implement the big and emerging market strategy that was designed to maximize exports to countries like China and create jobs in the United States. As part of this program, I also built, staffed, and opened a number of United States commercial centers abroad, including three in Asia—one in China, one in Vietnam, and one in Indonesia.

In closing, Madam Chairman and members of the committee, if confirmed, I will dedicate all of my energy and experience to advancing United States foreign policy objectives in Brunei. I will be glad to respond to your questions and thank you for today.

[The prepared statement of Mr. Todd follows:]

PREPARED STATEMENT OF WILLIAM E. TODD, NOMINEE TO BE  
AMBASSADOR TO THE STATE OF BRUNEI DARUSSALAM

Madam Chairman, Senator Murkowski, and members of the committee, I am extremely honored to be here before you today as President Bush's nominee to become our next ambassador to the nation of Brunei Darussalam. I am also honored by the confidence the President and Secretary Rice have shown in me in making this nomination. If confirmed by the Senate, I will work closely with the committee, interested Members of Congress, and other Americans to advance United States interests in Brunei Darussalam.

Although a small country, Brunei exerts a greater influence in the region than its size would suggest. Brunei's location, its status as a significant provider of hydrocarbons, its stance against terrorism, and its membership in a number of important regional and multilateral organizations, such as the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC) forum, the World Trade Organization (WTO), and the Organization of the Islamic Conference (OIC), makes it an important partner and a valued friend of the United States.

Since the Sultan of Brunei met with President Bush in the White House in December 2002, our ties with Brunei Darussalam, which means the "abode of peace" in Malay, have expanded and deepened. If confirmed, I therefore will be building on a strong foundation of growing cooperation in a number of areas, including security and military-to-military relations, economic-commercial ties, environmental protection, and people-to-people contacts.

In considering our economic relations, we have common interests with Brunei. Brunei shares with us a desire and strong support for free markets, secure global shipping lanes to ensure smooth passage of exports and imports, and a stable financial system. Brunei is an important provider of liquefied natural gas to the region and also provides oil to the world market. The United States had a little over half a billion dollars of two-way trade with Brunei in 2007. U.S. exports surged last year due to sales of aircraft and other manufactured items. If confirmed, I will do all I

can to support U.S. businesses in order to continue this trend. We have a bilateral Trade and Investment Framework Agreement (TIFA) with Brunei, which enables us to raise with Brunei officials our concerns and suggestions to expand our trade and investment relationship. Brunei is a member of what is called the Trans-Pacific Strategic Economic Partnership, also known as the P-4 Free Trade Agreement, along with Singapore, New Zealand, and Chile. The U.S. Government has joined negotiations with those countries on the investment and financial services chapters of that Free Trade Agreement. We are also exploring whether it will be in the United States interest to participate in the full FTA. I look forward to increasing our economic relationship with Brunei through the P-4 and other means.

I also hope to do all I can to support Brunei's partnership with Malaysia and Indonesia in the "Heart of Borneo Initiative" to preserve and sustainably manage the treasure of biodiversity that is found in the tropical rain forests of the island of Borneo. Although Brunei possesses just a fraction of the total area included in the initiative, approximately 240,000 square kilometers, Brunei has put at least 58 percent of its territory under the conservation protection called for in the Heart of Borneo Initiative, which has the strong support of the Government and the people of Brunei.

Brunei Darussalam strives to maintain its well-deserved reputation as an "abode of peace." The United States has found Brunei to be a valuable partner in promoting regional stability and security. Brunei and the United States coordinated relief to Aceh following the 2004 tsunami, and for several years Brunei has contributed forces to the international monitoring team on the Philippine island of Mindanao. Brunei welcomes the United States military presence in Southeast Asia, viewing it as essential to regional stability and prosperity. Our militaries cooperate closely in exercises and exchanges, and an increasing number of United States ships have visited Brunei's port. Brunei's first cadet at West Point is due to graduate in 2009, and two other officers are currently on shorter-term study in the United States. Our Department of Defense is working with the Government of Brunei to improve the latter's abilities in military procurement, and we hope to sign a Mutual Acquisition and Cross Servicing Agreement to improve the ability of our military to work with its Bruneian counterparts in many areas, such as exercises and disaster assistance. If confirmed, I will seek to further enhance these ties. I will also work to improve our information sharing on terrorist threats.

Madam Chairman, Brunei is an absolute monarchy. If confirmed, I will share with Bruneians the benefits of our democratic system and political openness, and look for ways we can further promote Brunei's move toward a more participatory government.

I also believe it is very important to promote greater people-to-people ties, and I especially want to increase the number of Bruneian students studying in or visiting the United States. While we have a friendly and constructive relationship with Brunei, I am confident that increased direct exposure to America would deepen understanding of our country by Bruneians and overcome stereotypes common in the global media. I am a firm believer in the value of public diplomacy and will work hard to ensure that Bruneians, the majority of whom are Muslim, are aware of the many qualities that make America such a great nation, and a nation of religious tolerance for all faiths.

Madam Chairman, if confirmed to lead our embassy in Brunei, I will be responsible for the protection of United States citizens and our employees and facilities. Fortunately, the United States and Brunei recently agreed on the acquisition of land in order to build a new embassy compound that, when completed, will provide a secure working environment for our dedicated diplomats and local employees. This will be a great improvement over the current embassy location.

Madam Chairman, the experience I have gained in government service for nearly 25 years has prepared me well to serve as our next Ambassador to Brunei Darussalam. I have had a life-long interest in Asia, and I am looking forward with great enthusiasm to putting all of my experience and skill to use in order to advance United States interests in Brunei.

I am currently the Acting Inspector General of the Department of State and the Broadcasting Board of Governors. I direct all Office of Inspector General activities, domestically and abroad.

Previously, in the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL), over a 4-year period I served as Principal Deputy Assistant Secretary (PDAS), as Deputy Assistant Secretary for International Civilian Police and Rule of Law Programs and Asia, Africa, Europe, and the Middle East, as well as Executive Director/Controller. As PDAS, I was the Chief Operating Officer for global programs, including all post-conflict activities, and at the forefront of our international programs for police training, rule of law, and counternarcotics ef-

forts in some of the most hostile places on earth, including Iraq, Afghanistan, and Colombia. I managed approximately 4,000 employees and contractors in more than 75 theatres of operation. As INL's Executive Director/Controller, I was in charge of about one-sixth of the State Department's budget (over \$3.5 billion), and about one-fourth of its assets.

Finally, as Director of Planning and Resource Management for the Department of Commerce's U.S. and Foreign Commercial Service, I built, staffed, and opened U.S. Commercial Centers around the world, including three in Asia.

Madam Chairman, members of the committee, thank you again for your consideration of my nomination. I would be happy to respond to your questions.

Senator BOXER. Thank you, sir.

And next we go to Mr. Scot Marciel for the rank of Ambassador for Association of Southeast Asian Nations. Sir, go right ahead. If you have anyone to introduce, feel free.

**STATEMENT OF SCOT A. MARCIEL, NOMINEE FOR THE RANK OF AMBASSADOR FOR ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) AFFAIRS**

Mr. MARCIEL. Thank you. Unfortunately, the combination of work, school, and studying for exams made it impossible for my wife and my daughters to join me today. But I would like to take this opportunity to express appreciation for all the support they have shown me over the years.

Senator BOXER. Good.

Mr. MARCIEL. Madam Chairman, Senator Murkowski, and members of the committee, I am deeply honored to appear before you today to seek confirmation of President Bush's nomination of me as United States Ambassador for ASEAN affairs. I would like to begin by acknowledging the key role that the U.S. Senate played in creation of this position.

Madam Chairman, just over a year ago, you and Senator Murkowski and other members of this committee cosponsored Senate Resolution 110, which urged, among other things, the United States to appoint an ambassador for ASEAN affairs. That resolution and the administration's decision to put forth my nomination highlight our shared belief that ASEAN is playing a growing role in the region and that the United States should increase its engagement with ASEAN. In that spirit, and if confirmed, I look forward to the opportunity to work with you and other members to advance our interests in Southeast Asia.

Southeast Asia is a dynamic region of great importance to us. ASEAN's 10 member nations have a combined population of almost 600 million people and together constitute our fourth-largest export market. ASEAN members include two treaty allies, the world's third-largest democracy, and many partners and friends.

Our fundamental interest in Southeast Asia is that the region's nations remain strong and independent, that they enjoy increased prosperity and freedom, and that they work with us in addressing regional and global issues. It is also in our interest to see a successful ASEAN, which can be a positive force for peace, stability, and progress. ASEAN members have worked to bolster their organization recently, including by signing a charter last year that provides a legal basis for the organization and offers the possibility for it to play a more significant and positive role in the future.

We have responded by ramping up our own cooperation with ASEAN. An appointment of an ambassador for ASEAN affairs will add to the momentum in the relationship.

Madam Chairman, nearly half of my 23 years in the Foreign Service has been devoted to working in or on the ASEAN region. I have served in the Philippines and Vietnam as director of the two offices responsible for Southeast Asia and in my current position as Deputy Assistant Secretary responsible for Southeast Asia in which I am also responsible for relations with ASEAN.

I have developed a broad network of contacts in the region and a healthy appreciation for its diversity, its challenges, and its many opportunities. If confirmed, I pledge to use that experience to expand United States engagement with ASEAN in support of our national interests. I will work to ensure the United States maintains a significant presence in the region and to erase any doubt about the United States commitment to Southeast Asia.

I intend to urge ASEAN to set and to meet high standards, whether on economic issues or on democracy and human rights. I also look forward to expanding our cooperation with ASEAN in key areas such as health, education, and the environment.

Finally, one of my highest priorities, if confirmed, will be to work with ASEAN and with other countries in the region to convince Burma's rulers to end their brutal repression and to begin a genuine dialog leading to a democratic transition. Burma represents one of ASEAN's biggest challenges, but it is also an opportunity. If we and ASEAN, along with other members of the international community, can help bring about a reversal of Burma's dangerous downward spiral, it will be of great benefit not only to the Burmese people, but to ASEAN and to our interests in Asia.

Madam Chairman, we are doing a lot of good work in Southeast Asia, and there is more that we can do. I would consider it a privilege and an honor to be part of that effort by serving my country as the first United States Ambassador for ASEAN affairs.

Thank you for considering my nomination, and I welcome your questions.

[The prepared statement of Mr. Marciel follows:]

PREPARED STATEMENT OF SCOT A. MARCIEL, NOMINEE FOR THE RANK OF  
AMBASSADOR FOR ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) AFFAIRS

Madam Chairman, Senator Murkowski, and members of the committee, I am deeply honored to appear before you today to seek confirmation of President Bush's nomination of me as U.S. Ambassador for ASEAN Affairs. I appreciate the confidence that the President and Secretary Rice have shown in me by this nomination.

The creation of the position of U.S. Ambassador for ASEAN Affairs reflects our recognition of the growing importance of ASEAN as an institution. I would like to acknowledge the important role the United States Senate played in the creation of this post. Madam Chairman, just over a year ago, you joined nine other Senators in cosponsoring Senate Resolution 110, sponsored by Senator Lugar, expressing the sense of the Senate that, among other important actions, the United States should appoint an ambassador for ASEAN affairs. That resolution and the administration's subsequent move to nominate such an ambassador highlight our shared belief that the United States should increase its engagement and cooperation with ASEAN. In that spirit, and if confirmed, I look forward to the opportunity to work with you and other members to advance United States interests in Southeast Asia and within ASEAN in particular.

Southeast Asia is a dynamic region of great importance to our country. ASEAN's 10 member nations have a combined population of nearly 600 million, and together

constitute our fourth largest export market. ASEAN members include two treaty allies, the world's third-largest democracy, and many long-time partners and friends.

Our fundamental interest in Southeast Asia is that the region's nations remain strong and independent, that they enjoy increasing prosperity and freedom, and that they work with us as partners in addressing a wide range of regional and global challenges.

We are pursuing these interests, both by bolstering our already strong bilateral relations with most ASEAN members and, increasingly, by building a fuller relationship with ASEAN itself. Because I have been nominated to be Ambassador for ASEAN Affairs, I would like to focus my comments on our relationship with ASEAN as a whole, rather than on our bilateral relations with individual members.

ASEAN was established in 1967. The United States became a dialog partner, ASEAN's term for those nations with which it has established regular formal discussions, in 1977. Throughout those 31 years, we have developed closer relations between our governments, our businesses, nongovernmental organizations, education institutions, and individuals.

In recent years, ASEAN members have worked to bolster the organization and to promote economic integration and a greater sense of community. ASEAN governments understand these changes are essential if they are to compete internationally and ASEAN is to maintain its relevance. ASEAN leaders took a very important step along these lines last November when they signed the ASEAN Charter, which provides a legal basis for the organization and offers the possibility for it to play a much more significant and positive role in the future.

It is in our interests to see a strong and successful ASEAN, which can be a positive force for peace, stability, and prosperity, and which also can set high standards for its members in areas such as rule of law and human rights. That is why we have responded to ASEAN's recent efforts by ramping up our engagement. The ASEAN-United States Enhanced Partnership, announced by the President and ASEAN leaders in 2005, set a clear framework for boosting cooperation. The action plan signed by Secretary Rice and her ASEAN counterparts in 2006 laid out a series of concrete areas of cooperation. More recently, the Department of State and USAID have developed a program, called ADVANCE, to support these efforts, and to help ASEAN achieve its ambitious goals.

Much of our initial work has focused on supporting ASEAN's economic integration efforts, in large part because ASEAN itself is moving fastest in building its economic pillar. However, we also are advancing our political, security, social, and cultural interests with ASEAN. We have been very active on the environment, supporting projects such as the successful ASEAN Wildlife Enforcement Network, the Coral Triangle Initiative, and the Heart of Borneo program. We are rapidly increasing our cooperation on climate change, clean energy, pandemic preparedness, and avian influenza. I am very pleased that we recently launched the first ASEAN Fulbright program.

We want to work with ASEAN to promote democracy and freedom. We are pleased that the fundamental principles embodied in the ASEAN Charter include commitments to "strengthen democracy, enhance good governance and the rule of law, and to promote and protect human rights and fundamental freedoms." We welcome the decision to create a human rights body—and as the structure and functions of that body take shape, we will urge ASEAN to give it the means to promote and protect fundamental human rights throughout the region.

Madame Chairman, nearly half of my 23 years in the Foreign Service has been devoted to working in or on the ASEAN region, including assignments in the Philippines and Vietnam, as director of the two offices responsible for Southeast Asia, and as desk officer for Laos. I have developed a strong network of contacts in the region, as well as a healthy appreciation for its diversity, challenges, and opportunities.

If confirmed, I pledge to use that experience and my firm belief in the value of a strong United States role in Southeast Asia to expand United States engagement with ASEAN in support of our national interests. I will do all I can to ensure the United States maintains a strong presence in the region, and to eliminate any doubt about the United States commitment to Southeast Asia. I intend to urge ASEAN to set and to meet high standards, whether on economic issues such as intellectual property rights protection or on democracy and human rights, including by making the human rights body a credible and meaningful entity. I also look forward to enhancing United States-ASEAN cooperation in other areas, such as health, energy, and the environment.

One of my highest priorities, if confirmed, will be to work with ASEAN and its member nations—as well as with other countries in the region and around the globe—to convince Burma's rulers to end their brutal repression and begin a gen-

uine dialog leading to a democratic transition. The problem of Burma represents one of ASEAN's biggest challenges, but also an opportunity. If we and ASEAN, together with others in the international community, can help bring about a reversal of Burma's dangerous downward spiral, it will be of enormous benefit not only to the Burmese people, but to the region, to ASEAN, and to our interests in East Asia.

I would like to conclude with a few comments on how I hope to carry out this new role as Ambassador for ASEAN Affairs, while continuing my work as Deputy Assistant Secretary for Southeast Asia. First, I intend to travel extensively throughout the region, and to use every stop to talk about both bilateral and ASEAN issues. I believe the title of Ambassador for ASEAN Affairs will give me good access, and many opportunities to talk about our concerns—and the positive role the United States is playing in the region—both privately and publicly. Second, I intend to engage extensively with the ASEAN Secretary General and his staff in Jakarta to support ambitious ASEAN goals and to find concrete ways in which we can work together. Finally, I need to do a lot of work here to ensure that we have a clear, coherent, and coordinated approach to Southeast Asia that combines the traditional focus on bilateral relations with recognition that our challenges and opportunities in that part of the world increasingly need to be pursued regionally, particularly through close cooperation with ASEAN.

Madam Chairman, I would consider it a great privilege to serve my country as the first U.S. Ambassador for ASEAN Affairs.

Thank you for considering my nomination. I welcome your questions.

Senator BOXER. Thank you, sir.

And now we turn to the Honorable Patricia Haslach for the rank of ambassador during her tenure of service as United States senior coordinator for the Asia-Pacific Economic Cooperation Forum. Welcome.

**STATEMENT OF HON. PATRICIA M. HASLACH, NOMINEE FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS UNITED STATES SENIOR COORDINATOR FOR THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM**

Ambassador HASLACH. Thank you, Madam Chairman.

I would first like to take this opportunity to thank my mother, also named Patricia Haslach, who is here with me today.

Senator BOXER. Why don't you stand up, Mrs. Haslach.

Ambassador HASLACH. And to my father, who has recently passed away and who was always an inspiration to me. I would also like to thank my husband, David, who is serving as a Foreign Service officer in Austria, and to our two daughters, Shereen and Kiran, who are unable to join us today.

Madam Chairman, I note that Shereen is a student at Santa Clara University, which gives me the chance to visit your State quite frequently.

Senator BOXER. Wonderful. Well, we welcome you.

Ambassador HASLACH. Thank you.

Madam Chairman, Ranking Member Murkowski, and members of the committee, I am honored to appear before you to seek confirmation as United States Ambassador to APEC. I appreciate the confidence that President Bush and Secretary Rice have shown in me by this nomination. If confirmed, I look forward to working with you to advance United States interests through APEC.

The Asia-Pacific Economic Cooperation Forum, APEC, is the premier venue for United States engagement with the Asia-Pacific region on economic and other issues. The 21 members of APEC together account for 60 percent of U.S. exports, 60 percent of global GDP, 50 percent of world trade, and nearly 3 billion consumers.

APEC is the only trans-Pacific forum that includes the United States and meets annually at the head of State level.

While these facts alone demonstrate the significance of the forum, APEC is more than the sum of its statistics. APEC is a vibrant organization that works to enhance the well-being of the United States and the Asia-Pacific in practical and tangible ways.

With little fanfare, APEC is playing a vital role in promoting prosperity, opening markets, and ensuring our security. For example, APEC is at the forefront of regional economic integration. A key component of this effort is APEC's exploration of a free trade area of the Asia-Pacific as a long-term vision, which would allow Americans to compete on a level playing field in the region.

APEC also helps to facilitate increased regional commerce. This includes promoting the development of high-quality free trade agreements, protecting intellectual property rights, expediting business travel, and reducing the costs of conducting trade.

America must participate constructively in the process of economic integration that is already transforming the Asia-Pacific or risk becoming disadvantaged and isolated. If confirmed as ambassador, I will work to utilize the tools and opportunities provided by APEC to ensure that America will be part of the region's extraordinary dynamism and in a way that benefits all Americans.

At the same time, addressing economic issues alone does not guarantee growth. We must also foster an overall environment where prosperity can occur. This is why APEC is helping to build institutions, combat corruption, and promote education. Madam Chairman, you might be interested to know that APEC is committed to women's economic empowerment and has made it an important criterion in the approval of APEC projects.

In addition, APEC is helping to address energy security and climate change. It is also helping to improve port security, counterterrorism, and confront avian influenza. I note that APEC is accomplishing these things in partnership with the region's private sector.

This year, Peru's hosting of the forum enables us to tackle emerging challenges while highlighting ties between Latin America and Asia. APEC will work to enhance protections against unsafe food and other products. APEC is uniquely suited for addressing this issue since our key regional trade partners, including China, are active members.

APEC will also work to address concerns about globalization, including access to the skills needed to succeed in the global economy. Furthermore, I want to highlight that in 2011, the United States will be hosting APEC for the first time in 18 years. This is a tremendous opportunity for our country, and I look forward to working with Congress to make this event successful.

During my 22 years in the Foreign Service, I have developed an intimate knowledge of Asia. If confirmed as ambassador to APEC, I promise to work to strengthen the organization as an engine of growth and opportunity in the Asia-Pacific.

Thank you for considering my nomination, and I look forward to your questions.

[The prepared statement of Ambassador Haslach follows:]

PREPARED STATEMENT OF HON. PATRICIA M. HASLACH, NOMINEE TO BE AMBASSADOR DURING HER TENURE OF SERVICE AS UNITED STATES SENIOR COORDINATOR FOR THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM

Madam Chairman, Ranking Member Murkowski, and members of the committee, I am deeply honored to appear before you today to seek confirmation as U.S. Senior Official for APEC with the rank of Ambassador. I appreciate the confidence that President Bush and Secretary Rice have shown in me by this nomination. If confirmed, I look forward to the opportunity to work with you to advance U.S. interests through APEC.

The Asia-Pacific Economic Cooperation forum (APEC) is strategically important to the United States. It is the premier venue for engaging the Asia-Pacific region on economic and other issues. The 21 members of APEC together account for 60 percent of U.S. exports, 60 percent of global GDP, 50 percent of world trade, and nearly 3 billion consumers. APEC is the only trans-Pacific forum that includes the United States and meets annually at the head of state level, with President Bush having attended every APEC leaders meeting since taking office. It also brings together other top officials throughout the year to address an array of important issues.

While these facts alone demonstrate the significance of the forum, APEC is more than the sum of its statistics. APEC is a vibrant organization that works to enhance the well-being of the United States and the Asia-Pacific in practical and tangible ways. With little fanfare, APEC is playing an important role in promoting economic growth, opening markets for U.S. business, and ensuring our security. If confirmed as U.S. Senior Official for APEC with the rank of Ambassador, I will work vigorously to strengthen the organization, particularly as the United States prepares to host APEC in 2011.

PROMOTING U.S. TRADE AND ECONOMIC GROWTH

Madam Chairman, APEC has made real progress in breaking down barriers to American goods and services, as well as addressing an array of issues that are important to U.S. manufacturers, service providers, workers, farmers, and ranchers.

- Over the years, APEC has offered strong support to concluding the Doha Round of multilateral trade talks, especially at critical junctures. In March, at their first meeting of 2008, APEC senior officials issued a strong statement noting the recent positive developments in the Doha Round and committing to work toward an ambitious and balanced outcome that delivers real commercial gains.
- APEC is also at the front-and-center in the trend toward economic integration in the Asia Pacific, a critical ingredient for building prosperity and stability in the region. A key component of this effort is APEC's work to actively explore the long-term vision of a free trade area of the Asia-Pacific (FTAAP), which would allow Americans to compete on a more level playing field in the world's most dynamic economic region.
- In addition, APEC has made important progress in addressing an array of issues to further facilitate trade and economic growth in the Asia Pacific. This includes establishing guidelines to promote the development of high-quality FTAs in the region, increase protection of intellectual property rights, and reduce the costs of conducting trade that hinder American businesses—especially small businesses—from fully participating in the regional marketplace.
- APEC also expedites the travel of senior business people and government officials throughout the region using the APEC Business Travel Card program. This program provides eligible individuals with speedier processing at airport immigration lines in participating APEC economies.

There is still unfulfilled potential in our trade relationship with Asia. America must participate constructively in the process of economic integration that is already transforming the region, or risk becoming disadvantaged and isolated. If I am confirmed with the rank of ambassador, I will work to utilize the tools and opportunities provided by APEC to ensure that our country will be a part of the extraordinary dynamism of the Asia-Pacific, and in a way that benefits all Americans.

BUILDING AND SECURING PROSPEROUS SOCIETIES

At the same time, addressing economic issues alone does not guarantee growth. We must also foster an overall environment where prosperity can occur.

- This is why APEC is helping economies to construct transparent regulatory institutions, combat corruption, and promote education. It is also why APEC is working to ensure that all members of society can prosper from regional trade and investment. Madam Chairman, you might be interested to know that APEC members, including the United States, are particularly committed to women's



economic empowerment and have made it an important criterion in the approval of APEC-sponsored projects.

- APEC is also contributing to the global response to energy security and climate change. Utilizing its strengths as the region's preeminent economic forum, APEC is working to achieve regional goals in such areas as improving energy efficiency, promoting alternative energy sources, and fostering the development and trade of clean technologies. These activities include an effort in APEC to promote trade of environmental goods and services.
- Furthermore, APEC has made important contributions to protect the region from security threats that could harm economic growth. With the United States in the lead, APEC has helped to improve the security of airports and seaports, counterterrorism, and confront avian influenza.

I want to emphasize that APEC is not just a forum for talking about policy solutions to economic challenges; it also works in practical terms to translate ideas into action. In particular, APEC undertakes technical cooperation programs that help our trade partners to implement their commitments and improve the economic life of people throughout the region. This is one of the main reasons why President Bush committed in 2006 to augment U.S. funding for APEC. With financial contributions from the United States and other members, APEC is implementing projects in a wide range of areas, including education, energy, emergency preparedness, anticounterfeiting, and economic reform. APEC's partnership with the region's private sector, including many of its leading companies, also ensures that its initiatives are focused, constructive, and of tangible benefit to U.S. businesses.

#### PERU 2008 AND THE FUTURE

Peru's hosting of the forum in 2008 underscores the trans-Pacific nature of APEC and enables us to tackle emerging challenges while highlighting the growing economic ties between Latin America and Asia.

- APEC will be working to increase economies' capacity to protect against unsafe food and other products, an issue of immense concern to U.S. consumers. The United States believes that APEC is uniquely suited for addressing this issue, since our key regional trade partners—including China—are active members. APEC will implement a major program this year to identify strategies for improving food safety and is looking to pursue more initiatives that will strengthen regional capabilities to protect consumers.
- APEC will focus on ways to address concerns in both developed and developing economies about globalization, including access to education and workplace skills needed to succeed in the global economy.
- APEC will also work to promote corporate social responsibility in the Asia-Pacific, since we know that good corporate citizenship has a positive impact for both the people of the region as well as for the business community.

Madam Chairman, I also want to highlight that in 2011 the United States will be hosting APEC for the first time in 18 years. This is a tremendous opportunity for our country. As the host economy, it will be an excellent chance to promote U.S. business and investment opportunities and define an agenda for regional prosperity that reflects our values. This will be a major undertaking, and I look forward to working with Congress to make this important event successful.

#### CONCLUSION

If I am confirmed with the rank of Ambassador, I promise to put my experience and enthusiasm to work in advancing United States interests in the Asia-Pacific. During my 22 years in the United States Foreign Service, I have developed an intimate knowledge of Asia, having served as Ambassador to Laos between 2004 and 2007, and in the economic section of the United States Embassy in Indonesia during the 1990s. Together with my other experience working on economic issues in South Asia, Africa, and Europe, I am prepared to tackle the broad range of economic issues with our fellow APEC members.

Madam Chairman, it would be a great privilege to serve my country as U.S. Senior Official for APEC with the rank of Ambassador. APEC is a truly unique and irreplaceable asset to the American people, and I am ready to help the United States strengthen the organization as an engine of growth and opportunity in the Asia-Pacific.

Thank you for considering my nomination. I look forward to your questions.

Senator BOXER. Thank you all. Excellent panel, and I will just ask a few questions and then turn it over to my colleague. And I

don't have any need to go any extra rounds, I don't think. So, hopefully, this will be short and sweet for you.

Ms. Stephens, while South Korea remains an important ally of the United States, it is safe to say that the United States-South Korean relationship has faced a number of challenges over the past few years. At times, anti-Americanism has reached alarming levels, particularly after the tragic death of two South Korean girls, who were hit by a United States tank on its way to a training exercise in 2002.

The election of President Lee in South Korea is being touted as an opportunity to strengthen our relations. President Lee has himself set rebuilding ties with the United States as one of the objectives of his presidency. How will you work to strengthen the relationship between the United States and South Korea, and how will you specifically address the issue of anti-Americanism?

Ms. STEPHENS. Madam Chairman, thank you very much for that question.

As I said in my opening statement, I look at the United States-Korea relationship in a historical context. This is the 60th anniversary of the establishment of the Republic of Korea. It is the 60th anniversary of the United States-Republic of Korea diplomatic relations. And as you point out, we have had a lot of challenges.

When Ambassador Lilley and I were serving in Korea in the 1980s, there was not democracy there. And so, I would have to say that I see some of the events of the past few years as a sign of a democratic society as it develops and matures. And as that society has developed and matured, so has the United States-Republic of Korea relationship.

Polling suggests today that there is strong support across the board for a United States-Korea security relationship. The fact that we have a Korean-American community that now numbers some 2 million—about 1.5 million in the United States, a half a million in the United States—gives the relationship, I think, the kind of foundation perhaps and resilience that perhaps it did not have some years ago. And I think there are a number of areas in which we can work to build on this relationship.

When President Lee comes to the United States next week, I know that he and President Bush will be looking at a number of these. And without repeating what I said in my opening statement, I would again highlight in terms of the embassy our outreach in Korea itself. Korean is a very hard language. We are very proud of the fact that about a third or almost a third—

Senator BOXER. Oh, wait. I don't want to get off the question.

Ms. STEPHENS. Yes.

Senator BOXER. So you don't think there is anti-Americanism in South Korea?

Ms. STEPHENS. No, I do think that there has been, and there remains critical voices about the alliance, about what has happened in the past. But I think there is generally a sense that as Korea looks to its own interest, to its own future, that it needs to have a mature relationship with the United States.

Senator BOXER. Good. Well, I think we need to build on that.

I understand that the United States Government has repeatedly asked South Korea to contribute forces to assist with the inter-

national effort to help stabilize Afghanistan, but that South Korea has been nonresponsive to date. Is there an overarching reason as to why South Korea does not want to assist the United States and its allies in Afghanistan? And do you expect that there might be a change of heart because of President Lee's new tenure?

Ms. STEPHENS. Well, Madam Chairman, I do think that we—this is an issue we can discuss and should discuss with the Koreans. I would note that the Republic of Korea has contributed not only to our efforts in Iraq, where for a while they were the third-largest coalition contributor, but also in Afghanistan, where they did have a presence of, I think, some engineers and some other experts.

Senator BOXER. But mine was—I was talking about forces.

Ms. STEPHENS. Yes. I think this is a discussion that we should have with the new government, and I think we need to make—to discuss what the needs are in Afghanistan and to see how they can contribute. They have certainly made clear they would like to contribute to more peacekeeping operations worldwide.

Senator BOXER. Well, I think it is very important because, of course, I have been to the zone there. I have looked across, and you know, South Korea understands the need to have stability at its border. Afghanistan deserves to have a country free of the Taliban, and I would hope that in this new opportunity that we have with you and the new President that we will make that case for Afghanistan. It is a very different case than Iraq. And so, I am looking forward to hearing from you on that.

Mr. Marciel, what steps will you take to urge the ASEAN members to do more to let Burma know that its behavior is reprehensible and will not be tolerated in the future? How will you work with ASEAN to pressure the Burmese Government to reconsider the referendum it is planning to hold on a new constitution in May of this year?

As you know, the referendum is facing widespread opposition in Burma, particularly because it will bar Aung San Suu Kyi from running for office. Now the Philippines has asked that she be released before it will ratify the new charter. Will you encourage other nations to follow suit?

Mr. MARCIEL. Thank you, Madam Chairman.

We have been working extensively and intensively with all of the ASEAN countries to try to get them to push the Burmese regime to take a number of steps, including releasing political prisoners, beginning a genuine dialog, and most recently, making the upcoming referendum an inclusive process that is credible.

We have had, I would say, mixed success. On the one hand, you can look at ASEAN's response compared to our response and say it has been somewhat meek. On the other hand, given ASEAN's history and precedent, it has been remarkably strong. A very strong statement, as you know, last September expressing the sense of ASEAN of being appalled and expressing repulsion at the crackdown.

ASEAN is a little bit split on this. I think all of the ASEAN countries would like to see change in Burma. They see that it is going downhill, and it is hurting ASEAN. Some, like the Philippines, have been most outspoken. We are continuing to weigh in

diplomatically with all of them, and we just need to keep doing that.

Part of what is happening in places like Indonesia is that civil society in Indonesia is actually increasing pressure on the government to step in. The ASEANs are interested in working with us. They are opposed to sanctions, as you know. I don't anticipate that will change. Frankly, we just need to continue working with them diplomatically and pointing out that the Burma problem is not going to go away on its own.

Senator BOXER. As you know, because you have testified here before, this is an issue of great concern to members of the committee. So we will be working with you on this.

I have one more question for you, Mr. Marciel. Then I will yield, and then I will come back with just two quick questions for our other panelists.

In January of this year, Singapore's defense minister said the United States should place some hot energy and effort in Southeast Asia, and I think he was relating to the fact that we have been so focused on Iraq. What initiatives are necessary to reassure our friends and allies in Asia that we are committed to an active and engaged presence in the region?

Mr. MARCIEL. Senator, I think one of the challenges that we face is actually making sure that people in the region understand all the many things that we are doing in the region. The fact is that we have an incredible level of engagement. I would say overall, with the exception of a place like Burma, bilateral relations with the ASEAN members are at an all-time high, and we are doing more with ASEAN by far than ever before, with the enhanced partnership, assistance, et cetera.

But as you said, the perception is still out there that somehow we are not engaged, we are not committed. Part of, I think, the beauty of creating an ambassador for ASEAN affairs, and I don't want to sound arrogant here at all about my future role, if confirmed. But I think having an ambassador for ASEAN affairs allows us to raise the profile, and when we talk publicly in the region to emphasize the things we are doing and to look for more opportunities, including continuing high-level visits.

So it is both a substantive challenge, but more importantly, I would say a public diplomacy challenge. Southeast Asians want more of us.

Senator BOXER. Well, I think you make a good point, and that was one of the reasons we did support the creation of this position. So we are glad that you are willing to take it on.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Madam Chairman.

Mr. Marciel, we will just keep you on the seat for a moment longer. With regard to Burma again, following up on Senator Boxer's question, we recognize that the economic ties that Burma has with India and China and the significance of those. How much influence do the members of ASEAN have then with the military regime, given how China and India factor in? And where I am going is what is their leverage?

Mr. MARCIEL. Thank you, Senator Murkowski. It is actually a question that we ask ourselves all of the time.

I think it is—we believe and most people believe that China probably has the most influence over Burma of any other nation, although I wouldn't exaggerate even that influence. The Burmese generals don't seem to take advice particularly well, either from outsiders or even from their own people. So I would say China has the most influence.

ASEAN as a whole seems to have relatively limited influence, surprisingly. I think the greatest ASEAN influence is that when ASEAN speaks out strongly on Burma, it makes it harder for other nations in the region not to speak out, as well. I mean, I think in some ways it is a bit of an indirect influence. And so, we urge the ASEANs, as a result, to continue to speak out.

But I think the experience over the last several months shows that the Burmese generals have not been particularly responsive. That said, ASEAN needs to keep raising this and pushing any way they can.

Senator MURKOWSKI. What is the status of the trade agreements that are being negotiated currently? This is the ASEAN Plus Three and the ASEAN Plus Six and the East Asia Economic Group. And in terms of the U.S. involvement on these trade agreements, do you know where we are?

Mr. MARCIEL. We are not part of those. Senator, we are not part of those agreements. ASEAN is negotiating a series of agreements, I think, with Korea, China, and Japan. Yes, and they are all different—I think as well as with India, although that one is not moving ahead as fast.

I don't—I am afraid I don't have a very good update for you, but I would be pleased to come back and give you more details.

Senator MURKOWSKI. Okay. If there is an update, that is what I was looking for.

Mr. MARCIEL. Okay.

Senator MURKOWSKI. Let me ask you, Ms. Haslach, the—you mentioned the administration's proposal for a free trade area within the Asia-Pacific. What has been the reaction of the APEC members to the proposal? I am assuming this is something that is meeting with a level of support or endorsement?

Ambassador HASLACH. Thank you, Senator Murkowski.

This is actually an aspirational goal. In everything in APEC, we have to reach consensus, and all the 21 members have agreed to a path looking at what is called a free trade area—not an agreement, a free trade area of the Asia-Pacific. And the focus is on building economic integration, and we can do this in many different ways, and we haven't actually defined what the path will be.

But currently, what we are trying to do is come up with model measures for free trade agreements, and we are looking at high-quality free trade agreements similar to the one that we have recently negotiated with Korea.

Senator MURKOWSKI. Good. What about the sentiment that is out there that this administration just has not paid close enough attention to what is going on in the Asia-Pacific region? There were some issues recently where we didn't stay at the meeting as long as we would have liked.

And I guess the question is whether that sentiment is still out there, that the Bush administration is just not giving enough, at-

taching enough significance to the region and to the APEC members? And if that sentiment is still out there, how do you counteract that as ambassador to APEC?

Ambassador HASLACH. Well, I think we have been able to actually counteract it by announcing that the United States will be hosting APEC in 2011, and I think that really speaks out for our commitment to APEC. Also, we fully are engaged in all of the different APEC meetings, hundreds of them that take place over the year. And President Bush has attended every single one of the leaders meetings, and Secretary Rice has attended all the ministerials. Yes.

Senator MURKOWSKI. So that sentiment is changing then with the passage of time?

Ambassador HASLACH. Absolutely. And we cooperate in many, many tangible ways.

Senator MURKOWSKI. Good. Let me ask you, Ms. Stephens, and again, kind of sticking with some of the trade issues. Given Alaska's relationship with South Korea and the fact that South Korea is our third-largest trading partner ahead of our neighbor, Canada, I am supportive of the United States-South Korea free trade agreement. But we recognize that there is some opposition to that agreement here in the United States.

But can you speak to the agreement's chances of success or how that is being received within South Korea's National Assembly and what concerns they might have specifically?

Ms. STEPHENS. Well, thank you, Senator. As you know, the agreement was signed in June of 2007 between our trade representative and her counterpart. The Republic of Korea is on a little bit of a different track in its timing, and it was introduced into the Korean National Assembly, I believe, last September.

Now since then, Korea has had a presidential election and transition and then today the National Assembly election. But there has been a great deal of discussion—debate. In the early days of the negotiations, quite a bit of very vocal opposition to the idea of a free trade agreement. So they have been through quite a process there.

And I think where they have come out, according again to polling, is with very strong support for it as a strategic decision by the Republic of Korea. As it looks at its very large neighbors in the region it works in and its need to be competitive in this global economy, I think for Korea they look at it as a key strategic move to not only deepen its ties with the United States, but as I said, to really kind of reform its economy.

The benefits are different for our two countries. For us, we get a lot more access, as you know, because the tariffs go down. We don't have so many tariffs on our products. So, for the Koreans, it is a little bit different. But it is about deregulating the Korean economy, making it more investor friendly, including to foreign investors, and making it more competitive.

And it seems to me—I haven't been to Korea recently. But from what I see in the polling and the discussion, President Lee's party supports the agreement. The outgoing government, of course, is the one that negotiated it. I don't know what the timing will be, but

we hope that it will go before the National Assembly and that they will consider it and ratify it.

Senator MURKOWSKI. Let me ask you a little bit more parochial question. But you mentioned one of your goals was just the outreach. The Korean Government has applied to open a consulate office in Anchorage, and I understand that the progress has been some slow—just hasn't been at the speed that we would like. Do you have any update on what is happening with approval of that application?

Ms. STEPHENS. Yes, Senator, happily, I do.

Senator MURKOWSKI. Good.

Ms. STEPHENS. And we do regret that it has been a bit slow, but I understand that the approval was sent through diplomatic channels to the Korean Embassy here and that they can move forward with opening that consulate in Anchorage.

Senator MURKOWSKI. Good. Good, good. Well, that—you talk about the level of outreach, and that is highly significant. So I am pleased to hear that.

And then just very quickly, we have been working—the State of Alaska has been working with the embassy there in Seoul to establish this Alaska Explorer Visa Program, and this provides the visa interviews for the Korean travelers. It has been very successful in encouraging tourism into Alaska from our Korean visitors, and I would just ask for your support to continue this program. I think it has been very helpful for both sides.

Ms. STEPHENS. Thank you very much for highlighting that for me. I will certainly pay great attention to that, and we hope to get more and more Koreans visiting Alaska.

Senator MURKOWSKI. Good. Madam Chairman, my time has expired. I have one quick question for Mr. Todd.

Senator BOXER. Go ahead. Please, go ahead.

Senator MURKOWSKI. And it is really very general. Mr. Todd, you had ticked off four specific items in terms of the foreign policy objectives that the United States has with regard to Brunei, and the first on your list related to the counterterrorism initiative. And you bring to this post a degree of background, you indicated, with international narcotics and law enforcement department.

Can you speak to the issue of counterterrorism and what specifically you would look to do in Brunei to work with the United States foreign policy objectives on that issue?

Mr. TODD. Thank you, Senator. That is an important question.

The current state of play in Brunei is that there are not any active terrorist organizations in Brunei itself. However, there are three active terrorist organizations in the surrounding countries. Many of the top leaders have basically been dealt with, and they are not part of those organizations at this point in time. But the organizations still exist.

In terms of Brunei itself, we share data with them. We share information. We know who is coming and going. It has been a very informative relationship. One of the things that we do do and what I did when I was in INL, which is the Bureau of International Narcotics and Law Enforcement, is we would do training and equipping and assistance in the form of teaching and training people what to do and what not to do.

And we have—the department has an ILEA, an International Law Enforcement Academy, in Bangkok, which I funded and ran that last—I think in 2006 trained, I think, 21 Bruneians in various forms of enforcement, some of which included antiterrorism activities.

So if I am confirmed, I would continue to get people trained. I also would continue and encourage more information sharing. And as long as these three terrorist groups are still active in the region, my goal is to make sure that all Americans and American assets are protected. Thank you.

Senator MURKOWSKI. Thank you. Appreciate your response.

In looking at Brunei—I have never had the opportunity to go there, but in looking at your economy reminds me a lot of what we have up north in Alaska and the dependence on oil, your desire to seek some diversification with your economy, some of your environmental issues. We differ a little bit in terms of size, but maybe one of these days I will have an opportunity to come visit for myself.

Mr. TODD. I would love for you to come visit, ma'am.

Senator MURKOWSKI. Thank you.

Madam Chairman, I appreciate the opportunity to ask the questions of these individuals. They certainly appear to be well prepared for their appointed tasks and I look forward to seeing them move through the process.

Senator BOXER. I absolutely agree. And I was going to say while, future Ambassador Stephens, you are looking after Alaska, we have six—

[Laughter.]

Senator BOXER [continuing]. We have 600,000 Korean Americans in California. And—

Senator MURKOWSKI. She trumps me every time.

Senator BOXER. We trump each other, but anyway. So, anyway, just don't forget. That is all.

I have just a couple of questions. Ambassador Haslach, in recent weeks, China's treatment of the Tibetan people has focused the world's attention on China's commitment to the rule of law and human rights. Obviously, this scrutiny is growing as we get closer to the Olympics. I understand in San Francisco today I forget how many people came out, but thousands and thousands of peaceful demonstrations. It has touched people's hearts.

And in the months leading up to the Olympics, how, if at all, can APEC be used as a forum to urge China to responsibly handle the crisis in Tibet?

Ambassador HASLACH. Well, thank you, Madam Chairman.

APEC is largely an economic organization, but certainly there are many opportunities we have during the year at the Secretary of State level, at the leaders level. For example, last year in Sydney, President Bush did meet with many of our APEC partners to discuss issues that were not economic, human rights issues with regard to Burma.

I much expect that Tibet will be on the agenda this year, as well as the bilateral meetings that we conduct with the economies whenever we meet, and we always bring up other subjects. And so, we use APEC for that. It presents yet another opportunity for us to dialog with China.



Senator BOXER. Good. I am glad you see it that way because, you know, we have a lot of States in our Union that will act unilaterally sometimes and say we are going to boycott this, that, or another from our State government purchases. And you look at my State, we have got 37 million people. We would be the fifth-largest economy in the world. So, in many ways, I think you are right to use it as an opportunity because you never know what State could all of a sudden decide to say we are done.

So I hope you use every opportunity that you can to raise this issue. It is such a sad one, and it seems to me we can resolve it. It could be resolved without independence, just with some autonomy, and I just would press you on that. And I am glad that you intend to raise it.

So, in conclusion, I have just a couple of quick questions for Mr. Todd. Why should he get away from my questions?

[Laughter.]

Senator BOXER. And so, Mr. Todd, Brunei—and this really follows Senator Murkowski's question about the economy in Brunei.

Brunei is one of the most prominent economic success stories in Southeast Asia, thanks in large part to its natural resources. However, it is reported that Brunei's oil and gas reserves, which account for 90 percent of its exports and one half of its GDP, are declining to the point where they will be exhausted in the relative near future. Oil is expected to dry up in 15 years and natural gas in 30.

The Government of Brunei has reportedly tried to pursue alternative development strategies, but with limited success. As the Ambassador to Brunei, what will you do to help ensure that Brunei remains an economic success story in Asia? And I think you do have some unique qualifications to do this. So why don't you discuss that as well?

Mr. TODD. Thank you, ma'am. In terms of Brunei, as you said, it is a very wealthy country. It is about the size of Delaware. It has 383,000 people. And at one point, the Sultan was the richest man in the world before the tech boom.

Senator BOXER. Oh, I feel so sorry for him. [Laughter.]

Mr. TODD. He still owns quite a bit, though. But in terms of it all, there seems to be a recent surge on the part of the several of the ministers in the Bruneian Government, where this is bothering them. One minister recently wrote an article that was in the Associated Press that talked about the complacency on the part of Bruneians and the fact that the per capita income in Brunei is one of the highest in the world. It is approximately \$32,000 per person. And depending on whose numbers you believe, the oil and gas are going to run out somewhere between 15 and 40 years.

In this article, this minister talked about alternatives to the current economy and diversifying. And I found it quite interesting because one of the things that it talked about was the wasteful use of energy in Brunei and how the country needed to learn how to be more economic and efficient in terms of how they use gas and oil, how they basically look at other alternative energy sources.

And so, in terms of your question, if I am confirmed, I would like to look at U.S. firms promoting trade for alternative energy sources, looking at things that are more efficient in terms of cars

and buses and their manufacturing base. The other thing that I have thought about that actually is very popular in the rest of ASEAN is aqua farming. There have been talks about the Bruneians looking at cultivating shrimp and other things.

Lastly, the—if I am confirmed, one other thing that has been recently brought to the attention of this specific minister is Brunei does have the Heart of Borneo Initiative, which basically is a huge ecological reserve that basically walls off approximately 50 percent of the country. One of the things that has been talked about is increasing ecotourism and making it kind of a new base of the economy.

Currently, Brunei is a dry country. The expenses—or the hotels are extremely expensive. So there aren't many tourists, but I see it as a place that American businesses could flourish in.

Senator BOXER. Interesting. Well, let me say that as you talked about moving toward energy efficiency, that is exactly what we are doing here. We have a lot of steps we have to take right here in America. So that is good timing because we are all going to be looking toward this as we face global warming challenges.

So my last question is really a human rights question to you, Mr. Todd. While the citizens of Brunei appear to enjoy a relatively high quality of life, Brunei is an absolute monarchy that restricts freedoms of speech, assembly, and the press. According to the 2007 Reporters Without Borders annual report, journalists working for privately owned publications in the sultanate—and this is a direct quote—can be punished by prison sentences of up to 3 years for publishing “false news.” And self-censorship is commonplace, and freedom of expression is limited.

In June of 2006, three men were sentenced to 1 year in prison for having sent seditious and insulting mobile phone messages to the family of the leader. I was just thinking about how many people send insulting messages to me and the consequences that could—

[Laughter.]

Senator BOXER [continuing]. But I think they are wrong. People should have the right to insult their leaders. I would die for that right. So, if confirmed, what will you do to encourage Brunei to increase freedom of the press?

Mr. TODD. Thank you, Senator. That is an excellent question.

Right now, political freedoms are very limited—freedom of the press, religion, the right to congregate. There has been an emergency act that has been in place that gives the Sultan almost ultimate power since 1962. There is something called an Internal Security Act, which basically gives the Sultan and his ministries the ability to pick up people and to hold them without due process for up to 2 years. That is on one hand. That is the bad news story.

The good news story is that the Government of Brunei and the Sultan have made some very positive changes over the last few years. The first is that they have enacted, the Sultan enacted in 2004 the legislative council. A number of the people on the legislative council are actually elected, which is a new, novel thing in Brunei.

The second is that government and the Sultan ratified 2 of the 12 human rights conventions, basically protecting the rights of

women and children. And in terms of human rights, and if I am confirmed, my goal is through engagement and through staying true to our principles, focusing on these issues with the government and the Sultan and when—monitor, engage, and report. When I am done, report it up the food chain to DRL at the State Department and to the Hill and continue to press things that we believe in.

Thank you.

Senator BOXER. Well, thank you. And I think that is true that we have seen some movement in the right direction, and I am sure that you will encourage that.

Well, I would like to again thank our nominees for their willingness to serve our country. I also, and I know Senator Murkowski joins me fully in this, not only thanking our nominees, but their families. We certainly know the sacrifices that families do make.

Of course, there are opportunities and pluses that go with our lifestyle in government, but there is a lot of sacrifice involved. So we want to thank you all. We want to thank some of you who were here who have been mentors to our outstanding panel.

And I just wanted you to know that it is my understanding that Senator Biden will schedule a business meeting in the upcoming weeks so that these nominees can be considered and reported to the full Senate, and I want you all to know that you have my full support. I think I speak for Senator Murkowski and certainly Senator Webb, who said that.

So we are really just glad you have stepped forward and accepted these new responsibilities, and much luck. And we stand adjourned.

[Whereupon, at 4:20 p.m., the hearing was adjourned.]

#### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF D. KATHLEEN STEPHENS TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Depending upon the report, there are varying degrees of anti-American sentiment in the Republic of Korea. What contributes to reportedly significant levels of anti-American perspective among the people of South Korea? As ambassador, how will you work to improve perceptions and attitudes of South Koreans toward the United States?

*Answer.* Most Koreans support the alliance with the United States, and older Koreans especially view that alliance as having been forged in blood during the Korean War. The most current opinion poll conducted by the State Department (in September 2007) revealed that 60 percent of South Koreans have an overall favorable opinion of the United States. Sixty-five percent also said the United States-South Korean security alliance was in good shape. Three-fourths of South Koreans consider the presence of United States forces in Korea important for their country's security, and 68 percent feel that South Korea should maintain the security alliance with the United States even after North-South reunification. Other indicators, including the number of South Korean students who come to study in the United States and Korea's strong interest in the Visa Waiver Program, also highlight the strength of the relationship.

That said, given the many challenges the United States and the Republic of Korea have faced together in our 60 years of bilateral relations, it is no surprise that there has long been some anti-American sentiment in South Korea, or at least ambivalence and misunderstanding about the United States role in Korea at various historical junctures. I saw this personally, both as a Peace Corps volunteer in Korea in the 1970s and while there on diplomatic assignment in the 1980s. In my discussions during those decades, Koreans from all walks of life almost unanimously affirmed

their desire to see a healthy United States-Korea relationship, but were also critical of aspects of our shared history and of United States policies past or present. Part of that criticism stems from the division of the Korean Peninsula after World War II. Part is also rooted in the varying perceptions Koreans have of their process of democratization and of the role of the United States in those years. Incidents relating to the U.S. military presence have also inflamed anti-American feeling, such as after the tragic deaths in 2002 of two schoolgirls during a training exercise.

I believe the best way to improve perceptions and attitudes of South Koreans toward the United States is to engage in a genuine dialog across the board, on all the issues. If confirmed as ambassador, I would seek first of all to listen to Korean voices and to understand better the many ways in which Korea has changed since I last lived there. I will put a strong emphasis in my own activities on outreach, on building our ability to communicate in Korean as well as in English, and on communicating in cyberspace as well as face-to-face. I will seek ways to engage more actively the large and influential Korean-American community, which now numbers some 2 million people, of whom about one-fourth reside in South Korea.

Progress on our shared policy objectives is also key. I will work for early implementation of the consolidation of United States forces south of the Han River, which will reduce the United States footprint in central Seoul. I will seek to support, as well as explain publicly, why the implementation of our shared vision for the Korean peninsula's future outlined in the September 2005 Joint Statement of Principles is so important to Americans as well as Koreans. I will work to streamline business, tourism, and educational travel to the United States, important to improving public perceptions of the United States.

*Question.* If confirmed as ambassador, you will be challenged with important issues to the Alliance, that have necessarily occupied Ambassador Vershbow's time. These include the Free Trade Agreement, the Visa Waiver program, the North Korean nuclear issue, and the United States military presence in the Republic of Korea, among others. Please describe some new and innovative ways of growing the United States-Republic of Korea relationship, that you consider notable and that you envision pursuing, if confirmed and in Seoul.

*Answer.* As the question suggests, the groundwork has been laid to achieve an upgrade in the United States-Republic of Korea relationship in the coming years. Much work still remains to be done in adjusting our security presence on the peninsula in achieving denuclearization of the peninsula and full implementation of our shared vision for its future as outlined in the September 2005 Joint Statement of Principles, and in implementing the Free Trade Agreement upon ratification. If confirmed, I will be focused on advancing this work, and to working with Korean authorities as they aim to enter the Visa Waiver Program.

I would continue the effort to adjust our longstanding security alliance with South Korea to address contemporary realities. The United States and the Republic of Korea have agreed to adjust the size and strategic stance of our respective military forces on the peninsula to reflect better the challenges we face today and the changes in the Republic of Korea itself. We are working with our Korean counterparts to move the main United States military base out of downtown Seoul and to consolidate United States troops in the Republic of Korea, overall, to fewer hubs further south. We have agreed to transition our command relationships such that beginning in 2012 the Republic of Korea will exercise wartime operational control over Korean troops. These steps are sensible and timely. The changes overall will reflect Korea's economic and military strength and its place in the world and the region. The changes will also strengthen the U.S. military's operational efficiency and deterrent capability. If confirmed, I will work closely with the Korean Government, my military colleagues, and with the Congress to accomplish this transformation.

I would also seek to ensure that we continue our vital cooperation with the Republic of Korea in the Six-Party talks to complete the denuclearization of the Korean peninsula and to implement fully the vision set out in the Joint Statement of Principles agreed to by all six parties in September 2005. With successful denuclearization, the Joint Statement commits the United States and the other parties to the normalization of relations, to economic and energy assistance to North Korea, and to achieving a permanent peace arrangement in Korea, along with a peace and security mechanism for the region. It is an ambitious agenda. The United States and the Republic of Korea will need to work closely together to succeed.

As democratic societies, the United States and South Korea also share a deep interest in promoting an improved human rights situation in North Korea. This interest is particularly keen among the many Koreans whose families were tragically separated by the Korean War. President Lee and his government have made clear the importance the Republic of Korea attaches to this issue. The United States has

equally deep resolve. If confirmed, I will work closely with the South Korean Government on the issue of human rights in North Korea, including in seeking sustainable solutions to the plight of North Korean asylum seekers.

The United States-Korea Free Trade Agreement would, upon approval by the legislatures of both countries, open South Korea's growing market of 49 million consumers to the full range of United States goods and services, from agriculture to autos to telecommunications services. The KORUS FTA is the most commercially significant free trade agreement the United States has concluded in over 15 years. If confirmed as ambassador, and upon FTA ratification, I will make it a top priority to work with the United States Trade Representative to ensure that the provisions of the agreement are enforced across the board. This includes enhancing our current cooperation with the South Koreans on environment and labor standards.

Moreover, we must ensure that the Republic of Korea follows international guidelines and fully reopens its market to United States beef. If confirmed, and as the progeny of Texas ranchers, you can be assured I will do all I can to ensure that our safe and delicious beef has unrestricted access to the South Korean market.

South Korea is a natural candidate for the Visa Waiver Program, and, if confirmed, I will work with the Government of the Republic of Korea to address the legislative requirements for entry, including increased information sharing, greater law enforcement cooperation, and the timely production of a South Korean electronic passport. I will work with the Department of Homeland Security and with Korean authorities to ensure that, consistent with congressional and administration requirements, the security, immigration, and law enforcement interests of our Nation are strengthened by the inclusion of the Republic of Korea in the Visa Waiver Program.

Continued progress on all these fronts will indeed grow the United States-Republic of Korea relationship in important ways. I believe we have the opportunity to take the alliance to a new level. While I hope my long experience in Korea in the 1970s and the 1980s, as well as more recently working on Korean issues from Washington, will be useful, I am mindful that, particularly in the beginning, I must be careful to observe, listen, and learn. I am concentrating my efforts, at present, on improving my Korean language skills. If confirmed, I will be the first United States Ambassador to Korea able to speak directly to the Korean people in their own language. I believe that using Korean myself in speeches, with the press, and in engaging in a dialog with Koreans from all walks of life, and supporting and encouraging other embassy officers to do the same, will enhance our own understanding of Korea as well as get our message out better. I also want to look at our exchange programs, such as the range of educational, technical, and business efforts ongoing, and think about how we might expand or use them better. We should ensure our educational and cultural exchange programs provide expanded opportunities for participation to groups that have been traditionally underrepresented but who are now becoming important voices in Korean society. I understand how Koreans, at every level of society, look to the Internet for information and news and how important it is to shape opinion. And I understand the critical role our Korean employees have in the success of our mission operation in Korea, and I would make sure embassy management continued to nurture this important resource.

*Question.* As you are aware, the Republic of Korea is often the destination of North Korean refugees, some of whom spend years making their way through China and elsewhere in the region, hoping to eventually arrive in Seoul. Challenges of assimilation to a new life in South Korea are genuine.

In recent weeks, the Government of Thailand has reportedly signaled its interest in sending a few hundred North Koreans presently detained in Bangkok, on to Seoul. How does the United States Government presently assist South Korea on matters related to North Korean refugees, and is the United States encouraging the South Korean Government to make necessary arrangements so that the North Koreans presently in Thailand may be moved on to Seoul?

*Answer.* The United States Government, since the passage of the North Korean Human Rights Act has expanded its efforts to protect and assist North Korean refugees, including working, quietly if necessary, with other governments and international organizations, to help North Korean asylum seekers obtain protection and permanent resettlement.

We are in close and frequent communication with the South Korean Government on issues related to North Korean asylum seekers, and if confirmed I will seek to expand our work together to find sustainable solutions for this vulnerable population. Numerous United States Government and embassy officials, including Ambassador Vershbow earlier this month, have visited the Hanawon resettlement center and discussed these issues with Republic of Korea Government authorities. Also, earlier this month, four North Koreans who have resettled in the Republic of Korea

and are active in NGOs in Seoul, visited the United States as part of the State Department International Visitor Program to study programs in the United States to assist and resettle refugees here. When resettlement in the United States is desired by North Koreans and we are able to obtain needed host government cooperation, we actively seek to ensure this option is available. Forty-six North Koreans have been resettled in the United States as refugees in recent years. We would be happy to provide a classified briefing on our efforts in specific countries, including those referenced in your question.

RESPONSES OF WILLIAM TODD TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* What are the primary United States foreign policy objectives related to Brunei?

*Answer.* Our foreign policy objectives in Brunei mirror those for the Asia-Pacific region in general:

- **Regional Security:** Strengthening regional security by garnering Brunei's support for enhanced United States relations with ASEAN and encouraging expansion of its contributions to peacekeeping operations in the region and to other multilateral undertakings;
- **Stability:** Safeguarding Brunei's long-term stability by helping to improve its counterterrorism and defense capabilities through law enforcement and military-to-military cooperation and by encouraging broader popular participation in the political process through development of the country's legislative council;
- **Outreach:** Improving perceptions of the United States among Brunei's largely Muslim population and its decisionmakers through outreach, exchange programs, and promotion of United States education;
- **Sustainable Development:** Increasing opportunities for United States firms to compete in Brunei through an expanding trade dialog focused on improving protection of intellectual property rights and opening markets for United States goods and services, while contributing to sustainable development through conservation of Brunei's tropical forests.

*Question.* How many students from Brunei have studied in the United States during the past 7 years? Does the United States Government, or American colleges and universities, actively recruit Brunei students?

*Answer.* There have been approximately 136 students who have studied in the United States during the past 7 years. The year-by-year breakdown is given below.

Year	No. of students
2006/07	24
2005/06	12
2004/05	18
2003/04	13
2002/03	17
2001/02	27
2000/01	25

Source: International Institute of Education (IIE) Open Doors statistics.

The embassy in Bandar Seri Begawan actively promotes United States higher education as part of our foreign policy objective of creating a greater understanding of United States society and policies by Brunei's majority-Muslim population. Embassy officials often speak to target audiences of prospective students to encourage study in the United States. They and other State Department officials also helped arrange a visit in 2007 by Brunei's Deputy Minister of Education to several leading United States universities to establish contact with Islamic studies programs. The Minister of Education plans to visit the United States in 2008 to build partnership relations between United States universities and the University of Brunei Darussalam, which the embassy expects will result in increased student exchanges—both short and long term—between the United States and Brunei.

The embassy in Bandar Seri Begawan worked to place United States institutions of higher learning on a list of Ministry of Defense-recommended schools, as part of the embassy's campaign to promote United States schools to Bruneians, who historically have looked to the United Kingdom and Australia for foreign study. As a result, five students entered U.S. universities through this new track for the current academic year and our embassy anticipates four more will enter in the 2008/09 aca-

democratic year. The embassy is also working with the Ministry of Education to allow students to use other Brunei Government scholarship programs to attend United States educational institutions.

In the past year, the embassy also assisted the following American colleges or universities visiting Brunei to recruit students:

- Tufts University (Fletcher School)
- Upper Iowa University
- Portland State University
- State University of New York—Binghamton
- Creighton University
- University of Denver
- Eckerd College
- Herkimer Community College

*Question.* What is the present level of Brunei investment in the United States? Do you anticipate an increase in such investment in the future?

*Answer.* Exact figures for the present level of Brunei's investment in the United States are difficult to obtain, because the United States does not require the registration of investments and the level of Bruneian direct investment flows are small.

According to industry estimates, Brunei holds substantial foreign assets globally, estimated at \$30 billion dollars, through its Brunei Investment Agency (BIA), a sovereign wealth fund. Brunei's investments in the United States include luxury hotels in New York and California. Other financial assets are believed to be managed by U.S. financial institutions.

The current value of the United States dollar would appear conducive to growing Bruneian investment in United States equities and bonds, but we are not aware of any plans for Brunei to acquire controlling interests or direct equity stakes in additional United States companies. Traditionally, the BIA has preferred passive, indirect investments to direct equity investments.

*Question.* During the past 5 years, what cabinet or subcabinet level United States officials have visited Brunei? What United States military leaders have visited Brunei during the same time period?

*Answer.* Assistant United States Trade Representative Barbara Weisel visited Brunei in May 2007. In December 2002, the Sultan of Brunei met with President Bush at the White House, and with Secretary Powell. In addition, the President has met the Sultan of Brunei every year at the annual APEC leaders meeting. Brunei hosted APEC in 2000, which President Clinton attended, and the ASEAN Regional Forum in July 2002, which Secretary Powell attended.

The following United States military leaders have visited Brunei in the last five years:

- April 2008: Pacific Commander Admiral Keating
- May 2006: Deputy Under Secretary for Defense Lawless
- March 2006: Pacific Commander Admiral Fallon
- March 2005: U.S. Army Pacific Commander LTG Brown

RESPONSES OF SCOT A. MARCIEL TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* It has been expressed to the committee that congressional passage of additional sanctions against Burma could contribute to Thailand turning more toward China in the future. What is the Department's perspective on this issue? Why might Thai officials be concerned by additional Burma sanctions?

*Answer.* We would not expect legislation authorizing additional sanctions on Burma to significantly affect Sino-Thai relations.

Economic sanctions are an important tool for pressuring the Burmese regime to respect the desire of the Burmese people for a peaceful transition to a democratic government that respects their human rights. It is crucial, however, that sanctions laws preserve sufficient flexibility for the United States Government to use sanctions as an effective tool to influence the regime's behavior without unduly jeopardizing other U.S. foreign policy interests. By authorizing, rather than mandating, a prohibition on the importation of Burmese-origin gemstones from third countries, such as Thailand, for example, sanctions legislation would allow the President the necessary degree of flexibility.

During remarks at the Center for Strategic and International Studies on March 20, Thai Foreign Minister Noppadon Pattama reiterated his government's opinion that sanctions will be counterproductive in Burma, and that Thailand is better

placed to argue for democratization there in the context of neighborly engagement than it would be were it to adopt or support sanctions. He also noted that as Burma's neighbor, Thailand needs Burmese cooperation on critical cross-border issues like trafficking in narcotics and persons and migration, and therefore must maintain a working relationship with the Burmese regime.

Thailand may also be concerned about the impact on the Thai economy of additional sanctions on Burma. Bangkok is a major center for cutting and polishing colored gemstones and Burma exports almost all of its high quality rubies there. Restrictions on importing finished items to the United States that incorporate Burmese stones could negatively affect Thailand's jewelry industry, which reportedly earned \$938.8 million from exporting precious stones and jewelry to the United States in 2006.

*Question.* What is the present status of the military-to-military relationship with Thailand? What changes, if any do you project with the military-to-military relationship over the next 5 years?

*Answer.* United States-Thailand military relations have returned to full strength following the removal of legal restrictions on assistance and policy restrictions on other military cooperation imposed after the September 2006 coup. Upon the installment of a democratically elected Thai Government on February 6, Thailand is again eligible to receive Foreign Military Financing, International Military Education and Training, 1206, and Peacekeeping Operations (as a Global Peace Operations Initiative partner) assistance. The Departments of State and Defense are working to resume those programs expeditiously using available funds. The administration's fiscal year 2008 budget and fiscal year 2009 request both feature military assistance for Thailand.

Our military-to-military relationship with our long-time treaty ally goes far beyond assistance. Thailand hosts more exercises annually with the United States than any other country in Southeast Asia, including our signature Cobra Gold multinational exercise. Thailand has contributed forces to our highest priority military missions in Iraq and Afghanistan and has pledged a battalion of peacekeepers for the U.N. mission in Darfur. Access to Thai military facilities was critical to United States regional humanitarian relief efforts following the tsunami in 2004. Continued access is key to our long-term regional security interests. We also recognize the region's security challenges—natural disasters, maritime security, counterterrorism, and piracy—and work closely with Thailand to ensure Thailand obtains and maintains the necessary capabilities to contribute to the region's security and stability.

We expect the current high level of cooperation to exist well into the future, and communicate regularly with our Thai allies on how to deepen and strengthen our military ties to meet future challenges. We expect Thailand's enthusiastic participation in peacekeeping operations to continue, and its contribution to regional maritime security efforts to increase. The Thai military is also pursuing an ambitious defense reform project, having already completed the assessment phase of a United States-sponsored Defense Resource Management Study, focusing and tailoring existing Theater Security Cooperation tools to improve training and educational institutions.

We anticipate hosting a round of strategic dialog talks later this year that will include discussion of the military relationship. These talks will build upon the recent visits of Pacific Command's Admiral Keating to Thailand and the Thai Deputy Supreme Commander's visit to Washington, both of which followed Thailand's return to elected government and the accompanying reengagement of our militaries at senior levels.

*Question.* What is the status of Thailand's military relationship with China? What agreements of any kind, have been finalized between Thailand and China during the last 6 years?

*Answer.* China and Thailand's military relationship has continued to improve over the last several years. Following the September 2006 Thai military coup, many countries, including the United States, imposed restrictions on various military-to-military programs. At the same time, China intensified its engagement with the Thai military.

China continues to offer seats in its military schools to Thai personnel and is supporting Chinese language classes in Thai military academies in order to increase the number of Thais able to train in China. In addition, in 2006–2007, China sent a Major to the Royal Thai Army Command and General Staff College, a first in China-Thailand military relations.

China has also used senior visits and offers of assistance to cultivate stronger ties with the Thai military. The extent to which the Thai have accepted assistance is



unclear, but it is widely believed that the two countries made commitments to future military cooperation during senior-level official exchanges over the past 2 years. According to Chinese state media, Thailand and China staged a joint search and rescue exercise in December 2005. Following an early 2007 visit by then-Thai Prime Minister Surayud Chulanont to China, the first ever Thai-Chinese Special Forces bilateral training exercise took place in Guangzhou, China, in July 2007; a follow-on exercise is scheduled to take place in Thailand this summer. Thailand has also invited the PRC to send official observers to the annual COBRA GOLD multinational military exercise held in Thailand in 2008.

*Question.* Given the diplomatic and economic reemergence of China throughout Southeast Asia, what are your recommendations for the United States toward providing a balance in the region consistent with our foreign policy objectives?

Answer. China's growing presence in Southeast Asia does not mean that the United States will play a smaller role. We do not see this as a zero-sum game. More trade between Southeast Asia and China does not necessarily mean less trade between Asia and the United States. And a more capable China acting as a responsible stakeholder in the region may benefit the United States as well as other countries.

The United States strongly supports ASEAN's integration efforts as its member states work to realize the vision of a dynamic, outward looking ASEAN, living in peace, stability, and prosperity. We seek to be a part of and contribute to the successful political, economic, and social integration of the ASEAN community. The United States will remain a partner valued by our friends in Southeast Asia by continuing our deep bilateral and multilateral involvement with the region.

In fact, the United States is increasing its engagement with the Asia-Pacific region in line with our growing interests there. Our engagement is developing through our work with individual countries, the enhanced partnership with ASEAN, new cooperation in the ASEAN Regional Forum, and our leadership role in APEC.

As we develop our increasing engagement with Southeast Asia, in particular, we are drawing on America's unique strengths. No other country enjoys the depth and breadth of engagement we have with that region through the work of numerous U.S. Government agencies, programs undertaken by our individual states, the deep commercial ties developed by our businesses, the cooperation built up by numerous educational institutions and organizations outside of government, and the ties of millions of families and individuals that span the Pacific. We are involving them all in our programs with ASEAN.

*Question.* Recent news reports state that North Korea has been selling multiple rocket launchers to Burma. What is the projected dollar amount and description of annual military-related transfers from North Korea to Burma since and including 2000?

Answer. We have seen these press reports. We closely monitor reports of North Korean weapons sales to Burma, keeping in mind that U.N. Security Council Resolution (UNSCR) 1718, adopted unanimously on October 14, 2006 after the DPRK announced it had conducted a nuclear test, remains in effect and is legally binding on all member states of the U.N.

As we proceed with denuclearization efforts in the Six-Party Talks process, all U.N. member states should continue in parallel to cooperate to ensure the full and effective implementation and enforcement of UNSCR 1718, which includes a prohibition on the procurement of large caliber artillery systems from the DPRK.

While we cannot provide specific information in an unclassified response, we would be pleased in a classified setting to brief the committee on the question of military related transfers from North Korea to Burma since 2000.

*Question.* What is the perspective of the U.S. Department of State regarding the reported presence of North Korean military personnel in Burma?

Answer. Given that U.N. Security Council Resolution (UNSCR) 1718 bans certain kinds of military trade and cooperation involving North Korea for all U.N. member states, and that the Burmese military continues to repress citizens of Burma, we are following closely and with serious concerns the reports of military cooperation between Burma and North Korea.

*Question.* When did U.S. officials last meet with Aung San Suu Kyi? When was she last allowed to meet with her physician?

Answer. U.S. officials have been unable to meet with Aung San Suu Kyi since she was placed under house arrest following the assault on her and her National League for Democracy colleagues at Depayin in May 2003. The last senior U.S. official to

travel to Burma to meet Aung San Suu Kyi was then Deputy Assistant Secretary Matthew Daley in April 2003.

The Burmese regime allows Aung San Suu Kyi's physician to visit her periodically. We understand that he has visited her earlier this year.

*Question.* How do United States officials incorporate issues related to Burma in our bilateral discussions with India, China, Japan, Singapore, and other countries that actively engage with the Burmese military junta?

*Answer.* U.S. officials regularly raise Burma with our interlocutors in these countries. We consistently encourage these and other foreign governments to use the influence that they have with the Burmese military regime to press the regime to begin a genuine dialog with democratic and ethnic minority representatives on a transition to a civilian, democratic government.

*Question.* On an individual country basis, please provide the committee with a list of economic, military, and all other agreements finalized between the People's Republic of China and ASEAN countries, since and including 2000.

*Answer.* China has likely concluded hundreds of agreements with individual ASEAN countries since 2000. There is no comprehensive register of such agreements. Attached is a list of those currently known to the Department.

China has also concluded at least 17 agreements with ASEAN, which are also noted in the attachment.

ATTACHMENT—AGREEMENTS BETWEEN THE PEOPLE'S REPUBLIC  
OF CHINA AND ASEAN COUNTRIES

*Agreements between China and Brunei*

1. Seventeen bilateral agreements are mentioned, but no list or dates are available.
2. Agreement on Investment Mutual Encouragement and Mutual Protection, November 2000.
3. China International Petroleum and Chemical Industries Joint Company and Brunei's Shell Petroleum Company signed Long-Term Contract on Champion Crude Oil, November 2000.
4. Agreement on Cooperation between the Supreme People's Procuratorate of China and Procuratorate-General of Brunei, 2002.

*Agreements between China and Cambodia*

1. Agreement on Cooperation between the Government of the People's Republic of China and the Government of the Kingdom of Cambodia in Combating Transnational Crime, April 8, 2006.
2. Memorandum of Understanding between the Ministry of Health of the People's Republic of China and the Ministry of Health of the Kingdom of Cambodia on Cooperation in the Field of Health, April 8, 2006.
3. Memorandum of Understanding on the Construction of Greater Mekong Sub-region Information Superhighway Network Cambodian Section between the Ministry of Information Industry of People's Republic of China and the Ministry of Posts and Telecommunications of the Kingdom of Cambodia, April 8, 2006.
4. Agreement on Economic and Technical Cooperation between the Government of the People's Republic of China and the Royal Government of Cambodia (80 Million Yuan Grant), April 8, 2006.
5. Agreement on Economic and Technical Cooperation between the Government of the People's Republic of China and the Royal Government of Cambodia (80 Million Yuan Noninterest Loan), April 8, 2006.
6. Exchange of Notes on the Provisions of 30 Fire Trucks to the Royal Government of Cambodia by the Government of the People's Republic of China, April 8, 2006.
7. Exchange of Notes on the Provision of One Unit of THSCAN Mobile Container Scanning System to the Royal Government of Cambodia by the Government of the People's Republic of China, April 8, 2006.
8. Exchange of Notes on the Survey Study of the Project of Establishment of National Botanical Garden in Cambodia, April 8, 2006.
9. The General Loan Agreement Regarding the Utilization of 200 Million U.S. Dollar Preferential Buyer's Credit from the Government of the People's Republic of China to the Government of the Kingdom of Cambodia between the Export and Import Bank of China and the Ministry of Economy and Finance of the Kingdom of Cambodia, April 8, 2006.
10. Government Concessional Loan Agreement between the Export and Import Bank of China as Lender and the Ministry of Economy and Finance of the Kingdom

of Cambodia as Borrower on the Project of Upgrading Cambodian National Telecom Network, April 8, 2006.

11. Agreement between the State Administration of Cultural Heritage of the People's Republic of China and the Authority for the Protection and Management of Angkor and the Region of Siem Reap of the Kingdom of Cambodia on the Second-Phase Project of the Joint Protection of Angkor Temples, April 8, 2006.

*Agreements between China and Indonesia*

1. Exchange of notes in regard with the setup of Indonesian consulates general in Guangzhou and Shanghai, March 2002.

2. Air Transport Agreement, Investment Protection Agreement, Sea Transportation Agreement, Agreement on Avoiding Dual Taxation, memorandum for understanding of cooperation in the fields of mining, forestry, tourism, fishery, transportation, agriculture and finance, etc., dates not available.

3. Agreement on mutually granting judicial assistance, July 2000.

4. Agreement on Conducting Chinese Examination in Indonesia, May 2000.

5. Agreement for Cultural Cooperation, November 2001.

6. Joint statement on the direction of the development of bilateral relations in the future, May 2000.

7. Memorandum of understanding about putting in place a joint committee on bilateral cooperation, May 2000.

*Agreements between China and Laos*

1. Joint Statement on the Bilateral Cooperation, November 2000.

2. Seven cooperation agreements in the sectors of economy, technology, energy and e-governance, March 8, 2008.

3. Comprehensive agreement to boost all-round cooperative relations to strengthen bilateral ties, March 30, 2008.

*Agreements between China and Malaysia*

1. More than 10 agreements on economic and trade cooperation such as Agreement on Avoidance of Double Taxation, Trade Agreement, Agreement on Investment Protection, Shipping Agreement, and Air Transport Agreement. (Dates not available.)

2. Agreement between the Chinese People's Bank and the National Bank of Malaya on Bilateral Exchange of Currencies, October 2002.

3. Memorandum of Understanding on Aviation Cooperation between China and Malaysia, 2002.

*Agreements between China and Burma*

1. Seven documents on bilateral cooperation, including Sino-Burmese Agreement on Fishery Cooperation, and Sino-Burmese Agreement on Investment Protection, and agricultural, natural cum human resources development as well as infrastructural construction, December 12-15, 2001.

2. Intergovernmental Agreement on China's remittal of Part of Myanmar's overdue debt, January 2003.

3. Agreement on investment promotion and protection, (date not available).

4. Joint Statement Concerning Framework Document on Future Cooperation in Bilateral Relations between the People's Republic of China and Federation of Myanmar, June 6, 2000.

*Agreements between China and the Philippines*

1. Joint Statement between the Government of the Republic of the Philippines and the Government of the People's Republic of China on the Framework of Bilateral Cooperation in the 21st Century. Signed in Beijing on 16 May 2000.

2. Memorandum of Understanding between the Philippine Council of Young Political Leaders (PCYPL) Foundation, Inc. and Chinese Association for International Understanding (CAFIU). Signed in Beijing on 5 July 2005.

3. Memorandum of Understanding on Defense Cooperation between the Department of National Defense of the Republic of the Philippines and the Ministry of National Defense of the People's Republic of China. Signed in Beijing on 8 November 2004.

4. Agreement between the Department of National Defense of the Republic of the Philippines and the Ministry of National Defense of the People's Republic of China on China's Provision of Military Aid Gratis to the Philippines. Signed in Beijing on 8 November 2004.

5. Agreement between the Department of National Defence of the Republic of the Philippines and the Ministry of National Defence of the People's Republic of China

on China's Provision of Military Aid Gratis to the Philippines. Signed in Beijing on 10 October 2006.

6. Memorandum of Understanding between the Government of the Republic of the Philippines and the Government of the People's Republic of China on Cooperation against Illicit Traffic and Abuse of Narcotic Drugs, Psychotropic Substances, and Precursor Chemicals. Signed in Beijing in October 2001.

7. Memorandum of Understanding between the Government of the Republic of the Philippines and the Government of the People's Republic of China on Cooperation in Combating Transnational Crime. Signed in Beijing in October 2001.

8. Agreement on Cooperation between the National Prosecution Service of the Department of Justice of the Republic of the Philippines and the Supreme People's Procuratorate of the People's Republic of China. Signed in Beijing in October 2000.

9. Treaty on Extradition between the Republic of the Philippines and the People's Republic of China. Signed on 30 October 2001.

10. Letter of Intent between the Philippine National Oil CO. Exploration Corp. and the China National Offshore Oil Corp. (CNOOC). 10 November 2003.

11. An Agreement for Joint Marine Seismic Undertaking on Certain Areas in the South China Sea By and Between Philippine National Oil Company and China National Offshore Oil Corporation. Signed in Beijing on 1 September 2004.

12. An Agreement for Joint Marine Seismic Survey in Certain Areas in the South China Sea by the Philippine National Oil Company (PNOC), the China National Offshore Oil Company (CNOOC), and the Vietnam Oil and Gas Corporation (PETROVIETNAM). Signed on 14 March 2005.

13. Memorandum of Understanding between Bangko Sentral ng Pilipinas and the People's Bank of China on the Establishment of Banking Institutions in Each Other's Territories. Signed on 17 May 2000.

14. Cooperation Agreement between the Philippine Chamber of Commerce and Industry (PCCI) and China Council for the Promotion of International Trade (CCPIT). Signed in October 2001.

15. Bilateral Swap Agreement between the Bangko Sentral ng Pilipinas and the People's Bank of China. Signed in Manila on 30 August 2003.

16. Memorandum of Understanding on Mining Cooperation between the Department of Trade and Industry (DTI) and China's Ministry of Commerce (MOFCOM). Signed in 18 January 2005.

17. Memorandum of Understanding between the Government of the Philippines and the Government of the People's Republic of China on the Promotion of Trade and Investment Cooperation. Signed in Manila on 27 April 2005.

18. Agreement on Economic and Technical Cooperation between the Government of the Republic of the Philippines and the Government of the People's Republic of China. Signed in Manila on 27 April 2005.

19. Memorandum of Understanding between the Government of the Republic of the Philippines and the Government of the People's Republic of China on the Early Harvest Program under the Framework Agreement on Comprehensive Economic Cooperation between the Association of South East Asian Nations and the People's Republic of China. Signed in Manila on 27 April 2005.

20. Framework Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China on Provision of Concessional Loan by China to the Philippines. Signed in Manila on 27 April 2005.

21. Framework Agreement on Expanding and Deepening Bilateral Economic and Trade Cooperation between the Government of the Republic of the Philippines and the Government of the People's Republic of China. Signed in Manila on 15 January 2007.

22. Memorandum of Understanding between the National Economic and Development Authority and the Department of Trade and Industry of the Republic of the Philippines and the Ministry of Commerce of the People's Republic of China on Establishing the Economic Working Group. Signed in Manila on 15 January 2007.

23. Memorandum of Understanding between China Export & Credit Insurance Corporation and Philippine Government Agencies. Signed in Manila on 15 January 2007.

24. Agreement on Economic and Technical Cooperation between the Government of the Republic of the Philippines and the Government of the People's Republic of China. Signed in Manila on 15 January 2007.

25. Framework Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China on Provision of Concessional Loan by China to the Philippines. Signed in Manila on 15 January 2007.

26. Memorandum of Understanding between the Department of Trade and Industry of the Republic of the Philippines and the General Administration of Quality Su-

pervision, Inspection, and Quarantine of the People's Republic of China on Cooperation on Industrial Products Safety and TBT Measures. Signed in Manila on 15 January 2007.

27. Memorandum of Understanding regarding the Utilization of US\$500 million Preferential Buyer's Credit Between the Department of Finance of the Republic of the Philippines and the Export and Import Bank of China. Signed in Manila on 15 January 2007.

28. Understanding on the Cooperation in the Fields of Agriculture, Irrigation, and Other Related Areas between the Government of the Republic of the Philippines and the Government of the People's Republic of China. Signed on 16 May 2000.

29. Agreement between the Department of Finance and the China National Construction and Agricultural Machinery Import and Export Corporation on a US\$100 million credit facility to finance agricultural development projects in the Philippines. Signed on 20 December 2000.

30. Memorandum of Understanding between the Department of Agriculture of the Republic of the Philippines and the Ministry of Agriculture of the People's Republic of China on Fisheries Cooperation. Signed in Beijing on 1 September 2004.

31. Memorandum of Understanding on the Special Treatment for Rice between the Governments of the People's Republic of China and the Republic of the Philippines. Signed in Manila on 27 April 2005.

32. Memorandum of Understanding on Expanding and Deepening Agriculture and Fisheries Cooperation. Signed in Manila on 15 January 2007.

33. Memorandum of Understanding between the Department of Agriculture of the Republic of the Philippines and the General Administration of Quality Supervision, Inspection, and Quarantine of the People's Republic of China in the field of Sanitary and Phytosanitary Measures. Signed in Manila on 15 January 2007.

34. Agreement on the Development of 1 million Hectares of Land for Hybrid Corn, Hybrid Rice, and Hybrid Sorghum Farming. Signed in Manila on 15 January 2007.

35. Agreement on the Leasing of 40,000 Hectares of Agri-Business Lands for Sugarcane and Cassava Plantation. Signed in Manila on 15 January 2007.

36. Agreement on the Provision of a 5,000-Square Meter Space for Philippine Tropical Fruits in the Jiangnan Fruit and Vegetable Wholesale Market. Signed in Manila on 15 January 2007.

37. Agreement for the Establishment of a 150,000 Liter per Day-Capacity Bio-Ethanol Plant in Palawan. Signed in Manila on 15 January 2007.

38. Joint Venture Agreement for the Manufacture of Bio-Ethanol (B.M.S.B). Signed in Manila on 15 January 2007.

39. Joint Venture Agreement for the Manufacture of Bio-Ethanol (Negros Southern). Signed in Manila on 15 January 2007.

40. Joint Venture Agreement for the Establishment of a 150,000 Liter per Day-Capacity Bio-Ethanol Plant. Signed in Manila on 15 January 2007.

41. Memorandum of Agreement on the Provision of Small Mobile Ice Plant and Transport Facilities to Municipal Fishery Cooperatives and Associations. Signed in Manila on 16 January 2007.

42. Memorandum of Agreement on the Establishment of a 35-Hectare Demonstration Farm for Sweet Corn. Signed in Manila on 16 January 2007.

43. Memorandum of Agreement on the Construction of Ship Yard, Establishment of a Cold Storage Facility, and Upgrading/Rehabilitation of Certain Facilities at the Navotas Fish Port Complex (NFPC). Signed in Manila on 16 January 2007.

44. Agreement on the Development of Candaba Swamp Resource Project as a Source of Water for Irrigation. Signed in Manila on 16 January 2007.

45. Memorandum of Agreement on Cooperation By and Between the Bureau of Fisheries and Aquatic Resources (BFAR) and Guandong Ocean Fisheries Administration (GDOFA). Signed in Manila on 16 January 2007.

46. Memorandum of Agreement on the Breeding and Culture of Grouper and Other High Value Species. Signed in Manila on 16 January 2007.

47. Joint Venture Agreement on Fisheries. Signed in Manila on 16 January 2007.

48. Agreement on Breeding and Culture of Abalone, Sea Cucumbers, Sea Urchins, and Scallops. Signed in Manila on 16 January 2007.

49. Visa Agreement allowing Filipino diplomatic and consular personnel to receive multiple-entry entry visas from the Chinese Government for a maximum validity period of 5 years. Signed on 3 July 2002 and entered into force on 19 December 2002.

50. Agreement Between the Government of the Republic of the Philippines and the Government of the People's Republic of China on Mutual Visa Exemption for Holders of Diplomatic and Official (Service) Passports. Signed in Beijing on 1 September 2004.

51. Memorandum of Understanding on air services. Signed in Beijing on 2 March 2004.
52. Memorandum of Understanding Between the Philippine National Railways and China National Technical Import Export Corporation and China National Machinery and Import & Export Corp. Signed in Manila on 15 November 2002.
53. Memorandum of Understanding Regarding the Utilization of the US\$400 million Preferential Buyers' Credit from China to the Philippines between the Export-Import Bank of China and the Department of Finance of the Philippines. Signed in Manila on 30 August 2003.
54. Supplemental Memorandum of Understanding between North Luzon Railways Corporation and China National Machinery and Equipment Corporation (Group). Signed in Beijing on 1 September 2004.
55. Memorandum of Understanding between the Department of Trade and Industry of the Republic of the Philippines and the Ministry of Commerce of the People's Republic of China on Infrastructure Cooperation. Signed in Manila on 27 April 2005.
56. Memorandum of Understanding Regarding the Utilization of US\$500 million Preferential Buyer's Credit from the Government of the People's Republic of China to the Government of the Republic of the Philippines between the Export-Import Bank of China and the Department of Finance of the Republic of the Philippines. Signed in Manila on 27 April 2005.
57. Loan Agreement on the Provision of US\$500 million Preferential Buyer's Credit Loan for the Northrail Project Phase 1, Section 2. Signed in Manila on 15 January 2007.
58. Concessional Loan Agreement on Nonintrusive Container Inspection System Project Phase 2. Signed in Manila on 15 January 2007.
59. Contract Agreement between North Luzon Railways Corporation and China National Machinery Industry Corporation for the Northrail Project Phase 1, Section 2. Signed in Manila on 15 April 2007 (originally signed in Beijing on 15 November 2006).
60. Engineering, Procurement, and Construction Contract for the Rehabilitation and Upgrading of the Philippine Mainline South Railway Project Phase 1, Section 1. Signed in Manila on 15 January 2007 (originally signed in Manila on 5 December 2006).
61. Memorandum of Understanding concerning Tourism Cooperation. Signed in Beijing on 11 September 2002.
62. Implementation Program of the Memorandum on Tourism Cooperation between the Department of Tourism and the China National Tourism Administration. Signed in Beijing on 1 September 2004.
63. Memorandum of Understanding between the Department of Transportation and Communications of the Republic of the Philippines and the Ministry of Communications of the People's Republic of China on Maritime Cooperation. Signed in Manila on 27 April 2005.
64. Agreement on the Protection of Cultural Heritage. Signed in Manila on 15 January 2007.
65. Agreement on the Prevention of Theft, Clandestine Excavation, Illicit Import and Export of Cultural Property between the Republic of the Philippines and the Government of the People's Republic of China. Signed in Manila on 15 January 2007.
66. Memorandum of Understanding on Sports Cooperation. Signed in October 2001.
67. Supplemental Memorandum of Understanding between the Philippine Sports Commission and the General Administration of Sports of the People's Republic of China. Signed on 8 April 2005.
68. Agreement between the National Youth Commission of the Republic of the Philippines and the All-China Youth Federation of the People's Republic of China on Youth Affairs Cooperation. Signed in Manila on 27 April 2005.
69. Memorandum of Understanding on Further Development of Sino-Filipino Youth Exchange between the All-China Youth Federation and the National Youth Commission of the Philippines. Signed in Beijing on 13 July 2005.
70. Letter of Intent on Friendly Exchanges and Cooperation between the Office of the Press Secretary of the Republic of the Philippines and the State Council Information Office of the People's Republic of China. Signed in Beijing on 3 September 2004.

*Agreements between China and Singapore*

1. Memorandum of Understanding on Air Services between Singapore and China, November 28 to December 2, 2005.

2. Several MOUs to promote closer bilateral cooperation in areas such as human resource development, high-tech cooperation, and agricultural products, September 19–21, 2005.

3. MOU on the establishment of the Singapore-China Joint Investment Promotion Committee, May 17–19, 2005. 4. Defense Agreement formalizing existing exchanges between Republic's Ministry of Defense (MinDef) and the People's Liberation Army (PLA) and pledged to work together on humanitarian assistance and disaster relief, January 8, 2008.

*Agreements between China and Thailand*

1. Memorandum of Understanding on Cooperation in Drug Prohibition (2000).
2. Thai-China Agreement on Bilateral Currency Exchange (2001).
3. Thai-China Agreement on Cultural Cooperation (2001).
4. Memorandum of Understanding on Strengthening Cooperation in Drug-Prohibition, 2000.
5. Agreement on Cultural Cooperation, 2001.
6. Treaty on Assistance in Criminal Judicature, 2003.

*Agreements between China and Vietnam*

1. Memorandum of Understanding on the Hanoi-Nanning corridor and the Huu Nghi Quan border gate, March 30, 2008.
2. Nearly 40 documents on cooperation in the diplomatic, public security, trade, economic, scientific, technological, cultural, and legislative areas have been signed between the departments concerned of the two countries, dates not available.
3. Treaty on the land Boundary between China and Vietnam on December 30, 1999 in Hanoi and exchange of instruments of ratification, July 6, 2000.
4. Agreement on the Demarcation of the Beibu Gulf Territorial Waters, Exclusive Economic Zones and Continental Shelf, and Agreement on Fishing Cooperation in the Beibu Gulf, December 25, 2000.

*Agreements between China and ASEAN*

1. Accession to the Treaty of Amity and Cooperation in Southeast Asia by China, October 8, 2003.
2. Joint Statement of ASEAN-China Commemorative Summit, "Towards an Enhanced ASEAN-China Strategic Partnership," October 30, 2006.
3. Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity, October 8, 2003.
4. Memorandum of Understanding Between the Association of Southeast Asian Nations and the Government of the People's Republic of China on Strengthening Phytosanitary Cooperation, November 20, 2007.
5. Memorandum of Understanding between the Association of Southeast Asian Nations (ASEAN) Secretariat and the Ministry of Agriculture of the People's Republic of China on Agricultural Cooperation, January 14, 2007.
6. Plan of Action to Implement the Beijing Declaration on ASEAN-China ICT Cooperative Partnership for Common Development, January 14, 2007.
7. Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Cooperation between the Association of Southeast Asian Nations and the People's Republic of China, November 29, 2004, plus Annexes.
8. Agreement on Dispute Settlement Mechanism of the Framework Agreement on Comprehensive Economic Cooperation between the Association of Southeast Asian Nations and the People's Republic of China, November 29, 2004.
9. Protocol to Amend the Framework Agreement on Comprehensive Economic Cooperation Between the Association of Southeast Asian Nations and the People's Republic of China, October 6, 2003.
10. Framework Agreement on Comprehensive Economic Cooperation between ASEAN and the People's Republic of China, November 5, 2002.
11. Joint Declaration of ASEAN and China on Cooperation in the Field of Non-traditional Security Issues, November 4, 2002.
12. Joint Statement on ASEAN-China Port Development, China, October 29, 2007.
13. Memorandum of Understanding between the Governments of Member Countries of the Association of Southeast Asian Nations and the Government of the People's Republic of China on Transport Cooperation, November 27, 2004.
14. Memorandum of Understanding between the Governments of Member Countries of the Association of Southeast Asian Nations and the Government of the People's Republic of China in the Field of Nontraditional Security Issues, January 10, 2004.
15. Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity, October 8, 2003.

16. Memorandum of Understanding between the Association of Southeast Asian Nations (ASEAN) Secretariat and the Ministry of Agriculture of the People's Republic of China on Agriculture Cooperation, November 2, 2002.

17. Declaration on the Conduct of Parties in the South China Sea, November 4, 2002.

*Question.* Japan has actively promoted nonproliferation efforts in Asia, such as hosting the Asian Senior-Level Talks on Nonproliferation (ASTOP). Do you view ASTOP as a viable means of regional discussion on matters related to the development of nuclear energy for peaceful purposes?

*Answer.* The United States appreciates the leadership that Japan shows in the Asian Senior-Level Talks on Nonproliferation (ASTOP). Since the first meeting in November 2003, Japan has used this forum as a way to engage the 10 ASEAN countries, as well as others in the Asia Pacific region on nonproliferation. At the talks, Tokyo encourages political support for nonproliferation objectives, including the Additional Protocol, the Hague Code of Conduct on Ballistic Missiles, strengthening of strategic trade controls, and implementation of nonproliferation-related resolutions of the United Nations Security Council.

This forum helps to further develop international norms on nonproliferation in East Asia, which will help engender a climate of compliance with the international nuclear nonproliferation regime.

This norm-strengthening work will pay dividends in the future as countries in the region turn increasingly to peaceful nuclear power to meet rising energy needs.

*Question.* Philippines' officials, namely Foreign Secretary Albert Romulo, have taken the lead on encouraging implementation of an ASEAN energy security plan. How do you envision the United States working with ASEAN on matters related to energy security?

*Answer.* The Joint Vision Statement on the ASEAN-U.S. Enhanced Partnership provides for cooperation on energy issues, including energy security. Under the Enhanced Partnership, the United States already has sponsored workshops on policies and financing needed for energy security, as well as on the use of coal, best practices in energy efficiency, and energy efficiency labeling that will contribute to energy security. We will continue to work with ASEAN to promote the adoption of policies and best practices in this area.

In addition, the larger ASEAN Regional Forum (ARF) is venturing into the field of energy security. Its work includes maritime security exercises, assessing the physical security of energy stockpiles and certain infrastructure, and examining how militaries in the region approach this new issue. The United States has also engaged the ASEAN members in APEC on a variety of energy security issues, including preparation for energy supply disruptions through such measures as sea lane security, real-time emergency information sharing, oil supply emergency response, promotion of energy investment, and cooperation in various energy sectors.

*Question.* The ASEAN-U.S. Enhanced Partnership, as you have noted, sets "a clear framework for boosting cooperation." Please outline specific steps of cooperation and benchmarks achieved since the partnership's announcement in 2005?

*Answer.* The United States and ASEAN have made good progress in implementing the Enhanced Partnership, which supports plans to create an ASEAN Community by 2015 with political/security, economic and social/cultural pillars. Training, technical assistance, and other cooperative programs are being implemented with ASEAN in all three areas.

When President Bush met ASEAN leaders at APEC in November 2006, the U.S. and ASEAN cited eight areas as priorities in the Enhanced Partnership: economics (including good governance and combating corruption), health, scholarships, information and communications technology, transport, energy, disaster management, and the environment.

An important benchmark under the Enhanced Partnership was the signing of the Plan of Action by Secretary Rice and ASEAN Foreign Ministers in July, 2006. The Plan of Action calls for the development and implementation of 164 actions and programs between ASEAN and the United States. Work has been completed or is ongoing on 127 of these items that are of importance to both ASEAN and the United States, such as:

- The establishment of the ASEAN Wildlife Enforcement Network, which has provided training to rangers, the judiciary, and policy officials. Last month alone, five major seizures in ASEAN countries of illegal wildlife and forestry products have resulted from this training.



- The first four participants in the ASEAN Fulbright Visiting Scholars Program will begin their work in the United States in September.
- By the end of December 2007, 3,500 parliamentarians, prosecutors, lawyers, judges, policy makers, regulators, enforcement officers, and business persons from ASEAN have participated in 25 capacity-building and other training activities to improve intellectual property rights administration and enforcement.
- Workshops on industrial standards to increase understanding and cooperation on this issue, which is of growing interest to both governments and our private sector.
- Training on disaster management which will help ASEAN officials respond to natural and man-made disasters throughout the region.

Another benchmark in the Enhanced Partnership and the Plan of Action was the conclusion of a Trade and Investment Framework Arrangement (TIFA) between the United States and ASEAN. USTR Ambassador Susan Schwab and ASEAN Economic Ministers signed the TIFA in August 2006. The TIFA includes a work program to assist in developing the economic pillar of ASEAN's Community that is supported by USAID and the Department of State.

