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Mr. Chairman, Mr. Faleomavaega, and Members of the Subcommittee, thank you very much for inviting me here today to testify about the vital importance of Asia-Pacific countries to the United States and for the opportunity to underscore key aspects of our engagement strategy for the region.

I want to also use this opportunity to underscore the United States' unwavering commitment to Japan. Twenty days ago today, Japan experienced a "triple blow" from an earthquake, tsunami, and the subsequent challenges associated with the Fukushima Daichi nuclear reactors. By themselves, any of these incidents would have been enough to bring a country to its knees. In Japan, we have seen the opposite. The Government and people have responded bravely and, with the help of the United States and the international community, committed to building an even stronger Japan in the future. Japan is the cornerstone of our strategic engagement in East Asia, and we are committed to standing side-by-side with our ally in its time of need.

It is clear that America's success in the 21st century is tied to the success of the dynamic Asia-Pacific region. As Secretary Clinton has noted, much of the history of the 21<sup>st</sup> century will be written in Asia. There is no question that the region's influence is growing and holds the key to our shared future. Asian nations are vital to the life-blood of the global economy. Their opinions and decisions have profound influence from Latin American to the Middle East and Africa on addressing complex and emerging transnational challenges, like climate change.

Despite the Asia-Pacific region's tremendous growth, the region still faces some of the most pressing challenges of the 21<sup>st</sup> century. North Korea and Burma remain outliers to the region's prosperity and continue to be sources for insecurity and instability. Many of today's most critical issues -- military competition, nuclear proliferation, violent extremism, financial crises, poverty, weak and ineffective governments, unresolved territorial disputes, growing competition over energy and natural resources, climate change, and disease -- transcend national borders and pose a common risk in the region. The rapid emergence of transnational security risks and threats demands collective action, and it is critical for the United States to work with our allies and partners in the region to address and meet these significant challenges.

Essential to our long-term national interests is to make sure that the United States remains true to its identity as a Pacific power. The Obama Administration, following a long history of bipartisan commitment to Asia, has articulated a five-part framework for our engagement in the Asia-Pacific: First, deepen and modernize our alliances with Japan, the Republic of Korea, Australia,

Thailand and the Philippines. Second, broaden our engagement with increasingly important partners like Indonesia, Vietnam, Mongolia, New Zealand, Singapore, Malaysia, and most notably India. Third, develop a predictable, stable, and comprehensive relationship with China. Fourth, engage and invest in the region's burgeoning multilateral architecture. And, fifth pursue a confident and aggressive trade and economic strategy.

Underpinning our strategy is a steadfast commitment to our belief in the universality of democracy and our respect for human rights. The U.S. commitment to these values defines the unique aspect of U.S. relations with Asia-Pacific nations and is an intrinsic and indispensable aspect of our character as a nation. It is one of the best and most important contributions that we can offer the region. We are working to promote fundamental human rights in the region and support the region's own efforts to promote and protect human rights, democratic principles, and freedom of religion and of expression.

In order to ensure that the promotion of human rights and the rule of law as well as the development of civil society remain strong pillars of our engagement, we will continue to adopt new and creative approaches that seize the opportunities presented by advances created in our dynamic information age. The freedom to speak one's mind and to choose one's leaders, the ability to access information and worship how one pleases are the bases of stability. The United States will continue to speak for those on the margins of society, encouraging countries in the region to respect the internationally recognized human rights of their people while undertaking policies to further liberalize and open their states. We will continue to work with countries to combat the scourge of trafficking in persons, to promote the rights of women and children, and foster greater religious dialogue among the many communities of faith in the region. We continue to press for the restoration of democracy in Fiji, as well as to promote good governance, rule of law, and respect for human rights in Vietnam and China. We have already seen positive signs reflecting greater internalization of human rights with the recent establishment of such institutions as Indonesia's Bali Democracy Forum and the ASEAN Intergovernmental Commission on Human Rights (AICHR), which we welcomed for an official visit to the United States last November. In Burma, we have intensified efforts to promote human rights and democracy both through diplomatic engagement with key stakeholders in Southeast Asia and by delivering our message to the Burmese government via direct engagement. At the same time, we maintain extensive financial, trade, and visa sanctions that target regime authorities and their cronies who thwart democracy and disrespect human rights. Our message remains clear and consistent: absent concrete progress in key areas of democracy and human rights, our sanctions will remain in place.

I will use the remainder of my testimony to describe how we are implementing this strategy through an aggressive "forward-deployed diplomacy," and the steps we are taking to ensure U.S. leadership in the Asia-Pacific.

***U.S. Strategic Framework for Engagement in the Asia-Pacific Region*** – The pace of our engagement in this critical region signals the renewed emphasis we place on developing and deepening partnerships. As Secretary Clinton has articulated, our forward-deployed diplomacy in Asia seeks to leverage these relationships to underwrite regional security, heighten prosperity, and support stronger democratic institutions and the spread of universal human rights in the Asia-Pacific region. The region offers the United States tremendous opportunities in a number

of areas, including expanding markets for U.S. economic interests and forming new strategic partnerships.

First, our alliances remain the foundation for our strategic engagement in the region, and the Obama Administration is committed to strengthening and modernizing our alliances to address both continuing and emerging challenges. Also, we must recognize that those alliances are, at their core, security alliances. . Our alliances have underwritten peace and stability for over a half-century and continue to provide a context for the region's tremendous economic growth and vitality.

Our treaty alliance with Japan remains a cornerstone of our strategic engagement in Asia. The U.S.-Japan relationship is both strong and comprehensive; it links two of the world's three largest economies and is supported by our people-to-people exchanges and our shared commitment to democracy and human rights. The cooperation between the Government of Japan and the United States in the aftermath of the March 11 events demonstrates the value of our security alliance with Japan. The United States stands resolved to assist Japan in its reconstruction efforts and to taking steps to further strengthen our alliance relationship. The pictures on the front-pages of Japanese newspapers that show U.S. military forces and Japanese soldiers working hand-in-hand to assist those in need is a potent symbol of the importance of this relationship. As we help Japan in its time of need, our two governments will continue to conduct open and direct discussions on a number of important strategic and alliance issues, including the roadmap for realigning U.S. forces in Japan. In addition, we are working to create a durable and forward-looking vision for the alliance that builds upon Japan's important global role in several areas, including climate change, non-proliferation, and humanitarian and development assistance programs. We have intensified high-level engagement between our two governments to address regional and global security challenges, and Japan is a lead contributor to the efforts to bring reconciliation and reconstruction to Afghanistan. Secretaries Clinton and Gates look forward to hosting their Japanese counterparts this year for an important "2+2" meeting where both sides will issue a detailed framework statement for the alliance going forward.

We are also working vigorously with our other critical ally in Northeast Asia, the Republic of Korea (ROK), both to modernize our defense alliance and to achieve a partnership that is truly global and comprehensive. The United States remains steadfastly committed to the defense of the ROK and to an enduring military presence on the Peninsula. The relationship continues to evolve from one solely focused on peninsular challenges to an ever more global and dynamic partnership that builds on our shared values and strategic interests. The ROK now has forces deployed overseas in over a dozen countries, with 200-to-300-person peacekeeping and reconstruction contingents in Haiti, Afghanistan, and Lebanon. The ROK understands that global challenges such as counter-piracy, nuclear nonproliferation, and development fundamentally affect Korea's interests and involve an obligation to be actively engaged around the world.

Our respective alliances with the ROK and Japan, as well as increasing trilateral coordination, play an essential role in maintaining peace and stability in Northeast Asia, including responding to the destabilizing policies and provocations of North Korea (Democratic People's Republic of Korea, DPRK). The DPRK's sinking of the ROK corvette *Cheonan* in March 2010, its

November 2010 disclosure of a uranium enrichment program, and its November 2010 shelling of Yeonpyong Island underscore the threat that the DPRK's misguided policies and provocations, including its nuclear and ballistic missile programs and proliferation activities, pose to regional stability and global security. Effective trilateral engagement in the wake of these provocations demonstrated to North Korea that its belligerent actions will be met with collective resolve. During an important U.S.-Japan-ROK Trilateral Ministerial meeting in December 2010, the three countries jointly declared that the DPRK's belligerent actions threaten all three countries and will be met with solidarity. The three countries jointly condemned the DPRK's uranium enrichment program as a violation of the DPRK's commitments under the September 2005 Joint Statement of the Six-Party Talks and its obligations under UNSCR 1718 and 1874.

We have also worked closely with Japan, the ROK, and our other partners in the Six-Party Talks to achieve the verifiable denuclearization of the Korean Peninsula in a peaceful manner. We are working closely with our partners and allies to make clear to the DPRK that its uranium enrichment program violates its commitments and obligations. We continue to urge the international community to fully and transparently implement UNSCR 1718 and 1874 to curb the DPRK's conventional and WMD-related proliferation efforts, as well as its illicit activities.

Australia remains a strategic anchor for regional stability and plays an incredibly important role in maintaining global security. U.S. and Australian forces fight side-by-side, extending a legacy of cooperation that goes back a century, and Australia is the largest non-NATO contributor to the coalition effort in Afghanistan. The U.S. commitment to Australia was on clear display during the visit of Prime Minister Gillard to Washington last month. Prime Minister Gillard had a very productive meeting with President Obama, in which they reviewed the many areas in Asia and around the world in which our two countries work together. She demonstrated Australia's respect for our past joint efforts through a generous contribution to the new Vietnam Veterans Memorial education center here in Washington. In addition, Secretaries Clinton and Gates visited Australia for the 25<sup>th</sup> Australia-U.S. Ministerial Consultations (AUSMIN) in November. That meeting was essential to our objective of modernizing and deepening our alliance, and our two governments announced the launch of the Australia-U.S. Force Posture Review Working Group, which is now exploring the potential for expanded U.S.-Australia military cooperation to optimize our U.S. force posture in the Asia-Pacific region.

We are also working to invigorate the Trilateral Strategic Dialogue with Japan and Australia, as well as to deepen security partnerships throughout the region. Our alliances with the Philippines and Thailand, our long-time Southeast Asian treaty allies, continue to evolve to meet modern challenges from violent extremism to infectious disease. We are working closely with our Philippine partners to improve maritime security and disaster response capabilities. In January of this year, we launched the first ever joint State-DOD strategic dialogue with the Government of the Philippines to help create a framework to enhance our alliance partnership. In Thailand, our oldest treaty ally in East Asia, we partnered to deploy Thai naval vessels, with U.S. Navy personnel aboard, to join Combined Task Force-151 to combat piracy off the Horn of Africa. Thailand has also provided a full battalion of peacekeepers to Darfur to assist with UN humanitarian relief operations. Our robust and mutually beneficial military relationships with both allies include joint exercises, ship visits, information sharing, logistics assistance, and a

broad slate of training and capacity-building activities in such areas as peacekeeping and anti-piracy operations.

Second, the Obama Administration is committed to broadening our relations with growing powers like Indonesia, Malaysia, Mongolia, New Zealand, Singapore, Vietnam, and most notably India.

- *India:* The Administration has taken significant steps to enhance our engagement with India, which is playing a key role in the Asia-Pacific. We have launched a dialogue on Asia-Pacific strategic issues, and I will travel to New Delhi next week to have further discussions and consultations. As a growing international player, engagement with India on a wide array of global issues is increasingly in the strategic interests of the United States.
- *Indonesia:* Our engagement with Indonesia continues to mature. The President's historic trip to Jakarta last fall highlighted the broadening and deepening of the U.S.-Indonesia relationship. The launch of the Comprehensive Partnership by President Obama and President Yudhoyono will further boost our growing partnership on bilateral, regional, and global issues. We look forward to working with Indonesia this year in its role as ASEAN chair and host of the East Asia Summit and value its emerging, positive voice on global topics, such as democracy and climate change.
- *Malaysia:* In addition, the Administration is working hard to enhance our bilateral relationship with Malaysia. We are in the process of launching a major English-language initiative that will place more young Americans in Malaysia to teach English and expose primarily rural Malay students to American culture. The Malaysian government, under the leadership of Prime Minister Najib, has also taken a number of steps to create more stringent export controls and play a constructive role in the international non-proliferation regime. Medical personnel from the Malaysian Armed Forces are currently deployed to Afghanistan. Our two countries are also working together closely in the Trans-Pacific Partnership (TPP) negotiations.
- *Mongolia:* Recently, I visited Mongolia, an ancient country yet a relatively young democracy on the verge of an economic boom that offers opportunities for American companies. According to some estimates, Mongolia has about \$400 billion worth of minerals in the ground. Mongolia provides 190 troops to the International Security Assistance Force in Afghanistan and hosts training for peacekeeping operations. Mongolia also cooperates closely with us in international organizations such as the UN and International Atomic Energy Agency. And, Mongolia will chair the Community of Democracies starting this year. Mongolia is a reliable, democratic partner with a bright future.
- *Vietnam:* Over the last several years, we have broadened and deepened our engagement with Vietnam on a wide ranges of issues, including trade, security, nonproliferation, health, education, and the environment. Vietnam is also among our eight negotiating partners in the TPP talks. During their meetings in Hanoi last year, Secretary Clinton and Prime Minister Dung agreed to elevate the relationship further by moving toward a strategic partnership. However, we remain deeply concerned about the lack of progress in the human rights front. We continue to make it very clear to the Vietnamese government that political freedoms are not a source of instability but of strength.

- *New Zealand:* Last fall, Secretary Clinton visited New Zealand where she launched the Wellington Declaration. This visit effectively culminated the thaw in our relationship with New Zealand, after a 25-year freeze since the mid-1980s. New Zealand is an important friend and partner of the United States, especially in the South Pacific, and the Wellington Declaration establishes a framework for a new United States-New Zealand strategic partnership that will enhance our practical cooperation and political dialogue. Likewise, the United States and New Zealand are working to deepen our economic relationship through the TPP negotiations. In response to the tragic earthquake that struck New Zealand earlier this year, the United States deployed a USAID Disaster Assistance Response Team (DART) that included the Los Angeles County and the Fairfax County Urban Search and Rescue teams (USAR), transferred equipment and supplies, and committed more than \$1 million for humanitarian assistance to support relief and recovery efforts.
- *Singapore:* The Administration is also taking steps to enhance our bilateral engagement with Singapore. In addition to being a strong partner on non-proliferation and other regional security matters, Singapore has participated in global security operations, including in Iraq, Afghanistan, and Gulf of Aden counter-piracy efforts for which Singapore will chair the International Contact Group in July. Singapore is hosting the sixth round of TPP negotiations this week.

Third, an important component of our efforts in the Asia Pacific is an approach to China that is grounded in reality, focused on results, and true to our principles and interests. Through this approach, we are pursuing a positive, cooperative, and comprehensive relationship with China. As Secretary Clinton has said, the U.S.-China relationship is at a critical juncture; how we manage the relationship today – with its elements of both competition and cooperation – will have a large impact on the future of the region.

Over the past year, we have taken solid, tangible steps to translate these words into action. Through steady diplomacy, we worked with Beijing to move the relationship in a positive direction, with President Hu attending the Nuclear Security Summit in April and China voting in favor of strengthened sanctions on Iran at the UN Security Council in June. The success of our approach is most clearly illustrated by President Hu's January state visit to Washington. Through that visit, China for the first time expressed concern about the DPRK's uranium enrichment program; we also gained Chinese agreement to respect the results of the referendum in southern Sudan, and strengthened cooperation with the Chinese on Iran through both the P5+1 process and enforcement of UN Security Council Resolutions. We also held firm to the principles that are important to us as Americans, making strong statements in both public and private about our concerns on China's human rights record. President Hu's visit was a success in large part because of our concerted effort since the beginning of the Administration to get this relationship right – in a manner that ensures U.S. interests are protected and advanced.

Related to our interactions with China is our consistent approach to Taiwan. As Secretary Clinton has noted, we are encouraged by the greater dialogue and economic cooperation between the Mainland and Taiwan – as witnessed by the historic completion of the Cross-Strait Economic Cooperation Framework Agreement last year. Our approach continues to be guided by our One China policy based on the three joint communiqués and the Taiwan Relations Act. In the period

ahead, we seek to encourage more dialogue and exchanges between the two sides, as well as reduced military tensions and deployments, and we have and will continue to meet our responsibilities under the TRA.

We will continue to make clear our views on the principles of freedom of navigation in the South China Sea. Recent events in China, including the forced disappearances of rights lawyers and crackdowns on Chinese and foreign journalists, have only further increased our concerns about human rights. And we continue to press China for further action on the DPRK's actions in violation of the September 2005 Joint Statement and UN Security Council Resolutions, as well as the need to more tightly enforce sanctions on Iran.

On the economic front, we continue to make lowering trade barriers a high priority in all our engagements with China, including the Strategic and Economic Dialogue (S&ED), the U.S.-China Joint Commission on Commerce and Trade (JCCT), and the G-20. Our embassy in Beijing and consulates throughout China reinforce the importance of maintaining a level playing field for U.S. companies on a regular basis and at all levels of the Chinese government. The State Department also works closely with other federal agencies to monitor China's compliance with U.S. and international trade rules. In 2010, the Department of Commerce initiated six investigations against imports from China (three antidumping and three countervailing duty) in order to provide relief for U.S. companies from unfair trade practices. Moreover, following consultations with the State Department and other Executive Branch agencies, USTR initiated WTO dispute settlement proceedings against China in three separate cases.

As a result of these efforts, during the December 2010 meeting of the JCCT and the January visit of President Hu, China made significant commitments on key trade issues, agreeing to ensure that Chinese government agencies use legitimate software, delink innovation policies from government procurement preferences, and include sub-central entities in its revised offer to join the WTO Government Procurement Agreement. China is a key export market for U.S. goods and services and a focus of President Obama's National Export Initiative that calls for doubling U.S. exports in five years to support millions of American jobs. In 2010, exports from the United States to China approached \$92 billion, an increase of 32 percent from 2009.

An important element of our engagement with China is the S&ED, which brings together cabinet members and agency heads across both of our governments, not only to discuss a range of issues critical to our bilateral relationship, but also to inculcate the habit of cooperation across our two governments. Secretaries Clinton and Geithner will host the third S&ED in Washington in May and will build on the successes of the second S&ED last May, including cooperation in addressing the global economic crisis in the framework of the G20. In our preparation for the next S&ED, the U.S. Government will continue to press China for demonstrable progress on economic issues, including further advancements on trade and investment and full implementation of commitments it made during President Hu's visit on trade, investment, and economic rebalancing, including exchange rate reform.

Fourth, the Obama Administration is committed to enhancing engagement in Asia-Pacific multilateral organizations. In her speech in Hawaii in January 2010, Secretary Clinton highlighted the importance of the United States' involvement in the development of the regional institutions and architecture. APEC remains the premier economic organization in the Asia-Pacific region, and the United States remains committed to it. We have also taken a series of

steps to deepen U.S. engagement in regional institutions such as ASEAN, which the Secretary Clinton calls “the fulcrum” for the region’s emerging architecture, the ASEAN Regional Forum (ARF), the ASEAN Defense Ministers Meeting (Plus), the East Asia Summit (EAS), and the Pacific Island Forum (PIF).

U.S. membership in the EAS will allow us to work with ASEAN and other EAS members to foster engagement on pressing strategic and political issues of mutual concern, including nuclear nonproliferation, maritime security, and disaster assistance. Last year, Secretary Clinton attended the EAS as the first-ever U.S. representative to the organization. This year, President Obama will attend the EAS in Indonesia and will focus on steps the organization can take to advance regional maritime security, capacity of countries to respond to humanitarian and natural disasters, and non-proliferation. In addition, we will seek to work with ASEAN to identify ways we can support its Plan of Action. The President will also co-host the third U.S.-ASEAN summit, a regularized feature of our bilateral engagement with ASEAN.

Regional engagement can also be an effective way to enhance our efforts to deal with transnational security challenges such as climate change, pandemics, or environmental degradation, and disaster management. Humanitarian assistance and disaster preparedness will continue to play a role in the region’s economic well-being. With the cooperation of the ARF, we supported the ARF Disaster Exercise in Indonesia earlier this month. We are looking at ways for the ARF to strengthen its capacity in managing crises, which is critically important in light of the spate of recent natural disasters that have battered the region. Another regional effort is the Lower Mekong Initiative (LMI), one of Secretary Clinton's signature priorities for U.S. engagement in Southeast Asia. Over the last year, the Secretary convened several meetings of the LMI with her counterparts from Laos, Thailand, Cambodia, and Vietnam to chart the way forward to advance shared goals for the region in environment, education, health, and infrastructure.

In August 2010, I led the largest-ever U.S. delegation to the Pacific Islands Forum Post-Forum Dialogue in Vanuatu. The delegation included not only Department of State officials, but also key defense and development personnel. We plan to take an even larger delegation to the 2011 meeting this September in Auckland to demonstrate our whole-of-government approach to addressing shared concerns in the Pacific. Building on the urgent request for support from the Pacific Small Island States, we have committed funds specifically for climate adaptation projects and related programs in Pacific Island countries. To help administer these new programs, USAID is finalizing plans for a new office in Port Moresby, Papua New Guinea this year. Funding to address climate adaptation will be an essential component of our strategy – and a critical element in the regional effort both to meet increasingly severe climate-related challenges and to maintain American pre-eminence in a region wooed by other suitors with deep pockets.

In this regard, the Compact of Free Association between the United States and Palau is a vital component of our growing presence and engagement in the Western Pacific. Our existing defense arrangement with Palau makes a valuable contribution to U.S. and international security. The Administration has submitted to the Congress legislation covering the results of the recently concluded fifteen-year review of the Compact. Enacting the proposed legislation will uphold our partnership under the Compact, underscore the United States’ renewed

commitment to the region, and keep Palau allied with the United States at a time when other, international interests are aggressively courting Pacific Island countries.

Fifth, we are pursuing an aggressive economic and trade agenda in Asia. 2011 is a year of consequence for the United States to demonstrate economic leadership in the region and shape the agenda for future years to accelerate regional economic integration. We are taking a three-pronged approach to driving successful engagement with the region: securing ratification of the U.S.-Korea Free Trade Agreement, achieving milestone progress on the Trans-Pacific Partnership negotiations, and concluding a successful APEC host year.

Today, the 21 APEC economies, with approximately 2.7 billion consumers, purchase almost 60 percent of U.S. goods exports. Seven of the United States' top fifteen trading partners are in APEC. Strong Asian participation in APEC, the WTO, and the G-20 reflects the increasing importance of Asian economies and their centrality to strengthening the multilateral trading system and sustaining our own economic recovery. We must ensure our competitiveness in this vital region and promote continued integration of the U.S. economy with APEC economies, which will benefit workers, consumers, and businesses in the region and create jobs back here in the United States.

The region is essential to the success of President Obama's National Export Initiative, and our goal of doubling U.S. exports by 2015 to create new American jobs. In the first year of the National Export Initiative, U.S. exports to APEC members grew much faster than U.S. exports to the rest of the world (non-APEC member economies). U.S. exports to APEC economies last year totaled \$774 billion, up 25 percent from 2009, while U.S. exports to non-APEC member economies grew only about 15 percent to reach \$503 billion. We are working with governments in the region to ensure an environment in which this trend can continue.

As we seek to achieve the President's goal of doubling exports over the next five years, a tremendously important concrete step toward reaching this goal is the U.S.-Korea Free Trade Agreement (KORUS). In December the Administration achieved important new commitments from the Koreans on outstanding issues that will level the playing field for U.S. automakers and autoworkers, and the Administration will submit the agreement to Congress soon. This agreement represents a major accomplishment for both countries and is an historic opportunity to boost exports, create jobs, and bolster our economy. It eliminates tariffs on 95 percent of U.S. consumer and industrial exports to Korea within five years and significantly reduces tariffs on our agricultural exports to Korea. KORUS is expected to increase exports of American goods by up to \$11 billion based on the tariff cuts alone of KORUS and to support at least 70,000 additional jobs on the U.S. side alone. In addition, this agreement will support many more American jobs by opening Korea's \$580 billion services market to U.S. companies in express delivery, telecommunications, insurance, and other services industries. The economic benefits for the ROK are also considerable. This trade agreement will deliver immediate, significant economic benefits, but will also deepen our engagement and strengthen our partnership with a central ally in a volatile and rapidly growing region. In strategic terms, it will underscore our commitment to prosperity and security in the Asia Pacific and fortify our leadership role and influence in the region.

Another important pathway to expanding U.S. economic engagement in Asia, and increasing U.S. exports to dynamic Asian markets, is the Trans-Pacific Partnership agreement, or TPP. The nine

APEC economies involved – Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States – represent almost 40 percent of APEC’s total goods and services exports. With these economies we are negotiating a new template for a high-quality, high ambition, 21st century trade agreement. This is a strategic agreement that is central to enhancing the 21<sup>st</sup> century supply chain and new economies of IT and green growth, and one that supports high labor standards and the environment. We have now had a number of rounds of TPP negotiations, and we look forward to working in partnership with Congress as we continue towards realizing this important agreement.

And, in 2011, the United States is hosting APEC for the first time in 18 years, providing us with unique opportunities to demonstrate our commitment to and engagement in the region and to shape the organization’s agenda in ways that reflect our values, promote regional economic integration, and create opportunities for U.S. businesses and workers in this dynamic region. The first round of Senior Officials Meetings took place here in Washington earlier this month, and we will have a busy APEC schedule as we build to the APEC Leaders Meeting, which President Obama will host in Hawaii in November. We have set an ambitious agenda that challenges APEC to maximize tangible, practical results, particularly in the area of removing trade barriers, promoting green growth, and building regulatory convergence among APEC economies. To that end, the President has laid out three priority areas to guide APEC’s agenda in 2011 to build towards a seamless regional economy: (1) strengthening regional economic integration and expanding trade; (2) promoting green growth; and (3) expanding regulatory cooperation and advancing regulatory convergence. We are looking to conclude specific and ambitious initiatives in each of these three priority areas this year. We want to ensure that APEC will continue to benefit American businesses, especially small and medium size enterprises, and will remain focused on specific, practical outcomes. Through APEC, we can continue to advance regional economic integration, and by reducing barriers to trade and investment in the region, we can increase U.S. exports and support jobs at home at the same time.

### ***Conclusion***

American leadership in the Asia-Pacific is essential to our long-term national interests. The Administration is committed to investing in and playing an engaged and active role in the region. The shift of geopolitical forces from the West to the East is a defining feature of the 21<sup>st</sup> century’s international landscape – and Asia will be the main stage for these transformations. These changes will present both tremendous challenges and opportunities for the United States. We are committed to meeting these challenges and seizing opportunities through high-intensity and comprehensive engagement. We have demonstrated to the region that as a global power, we can “walk and chew gum at the same time.” We can, and will continue to be forced to, juggle multiple challenges at once. We are committed to taking steps to further strengthen our linkages to the Asia-Pacific region to ensure the preservation and promotion of our interests.

I look forward to working with you, Mr. Chairman, and with Members of this Subcommittee and Congress to seek opportunities to influence positively the future direction of the region to deliver more benefit to more of our people. Thank you for extending this opportunity to me to testify today on this vitally important issue. I am happy to respond to any questions you may have.