



**Neal Martin**

[nmartin@mlstrategies.com](mailto:nmartin@mlstrategies.com)

**David Leiter**

[djleiter@mlstrategies.com](mailto:djleiter@mlstrategies.com)

**ML Strategies, LLC**

701 Pennsylvania Avenue, N.W.

Washington, DC 20004 USA

202 296 3622

202 434 7400 fax

[www.mlstrategies.com](http://www.mlstrategies.com)

## CHINA UPDATE

December 17, 2013

### QUOTE OF THE WEEK

*"The dangers of climate change and air pollution are not confined to any single nation or its people. We face them together. We must fight them together. If we do, we will seize the opportunity to build a clean energy economy and leave our children a safer, healthier planet. That is why these inextricably linked threats are among the US Environmental Protection Agency's (EPA) top priorities; and confronting them presents an opportunity for cooperation between the US and China. Our countries represent the world's largest economies, largest energy consumers, and largest emitters of carbon pollution. Of course, there is economic competition between us - but we share the same planet. Today, China faces tremendous air quality challenges; but we are quick to forget that the US dealt with the same issues not too long ago. Back then, it was great US cities - like Los Angeles and New York - that were shrouded in blankets of pollution similar to those we see enveloping Beijing and Shanghai today. The US EPA was established more than 40 years ago in response to the public outcry resulting from that rampant pollution in our skies and waters. Soon after, we passed historic environmental legislation like the Clean Air Act and went on to make incredible progress. Since then, we have reduced air pollution by more than 70 percent - saving countless lives and ensuring a cleaner environment across the US. The old rule that contends we have to sacrifice a healthy economy for a healthy environment does not apply any more. In fact, a clean, healthy environment is a prerequisite for a strong economy." - EPA Administrator Gina McCarthy in an op-ed during her recent trip to China*

### CHINA NEWS

#### Official Visits to China

December 19-21, Bolivian President Evo Morales will visit China.

In early January, Hor Namhong, Cambodian Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, will visit to Beijing to co-chair with State Councilor Yang Jiechi the First Meeting of China-Cambodia Inter-governmental Coordination Committee.

## U.S.-CHINA RELATIONS

### **Senators Protest China's Air Defense Identification Zone**

On December 5, Senate Foreign Relations Committee Chairman Robert Menendez (D-NJ) and Ranking Member Bob Corker (R-TN), joined with Senators Marco Rubio (R-FL) and Ben Cardin (D-MD) to write to Chinese Ambassador Cui Tiankai, urging the Chinese government not to implement its recently declared Air Defense Identification Zone in the East China Sea. "We are deeply concerned about your government's recent unilateral announcement of the establishment of an Air Defense Identification Zone (ADIZ). The declaration of this ADIZ is provocative both because it extends over East China Sea territories recognized by the United States as under the administrative control of Japan and overlaps with both the Japanese and Republic of Korea's ADIZs, and also because the procedures for enforcement of the ADIZ, as announced, are potentially dangerous and undermine regional peace and stability," wrote the senators in the letter to Ambassador Cui. The letter can be found [here](#).

### **House Hearing on Chinese Prisoners of Conscience**

Also on December 5, the House Foreign Affairs Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations held a hearing titled *Their Daughter's Appeal to Beijing: "Let Our Fathers Go!"*. The hearing was focused on prisoners of conscience in China. The opening statement from subcommittee chairman Christopher Smith (R-NJ) can be found [here](#). A webcast of the hearing can be found [here](#).

### **State Department Statement on Anniversary of Liu Xiaobo detention**

On December 9, the State Department issued the following statement: "Yesterday marked the fifth anniversary of Nobel laureate and writer Liu Xiaobo's detention. The United States is deeply concerned that Chinese authorities continue to imprison Liu Xiaobo, as well as other activists, such as Xu Zhiyong, for peacefully exercising their universal right to freedom of expression. Equally concerning is the nearly three-year politically motivated house arrest of Liu Xiaobo's wife, Liu Xia. We note that the United Nations Working Group on Arbitrary Detention has determined Liu Xiaobo's ongoing imprisonment and Liu Xia's house arrest to be in contravention of the Universal Declaration of Human Rights. We strongly urge Chinese authorities to release Liu Xiaobo, to end Liu Xia's house arrest, and to guarantee to Liu Xiaobo and his family members all internationally recognized human rights protections and freedoms. As the United States builds a constructive relationship with China, U.S. leaders will continue to raise concerns related to respect for the rule of law, human rights, religious freedom, and democratic principles with their Chinese counterparts. We continue to believe that respect for international human rights is critical to China's growth, prosperity, and long-term stability."

### **Human Rights Day Statements**

On December 10, in recognition of Human Rights Day 2013, Secretary of State John Kerry and Ambassador Gary Locke issued statements. Both addressed human rights in China, with Locke stating that "As we celebrate the 65th anniversary of the Universal Declaration of Human Rights today, we are reminded that all countries, including the United States and China, have a responsibility to protect the human rights and fundamental freedoms enshrined in this important document. I am hopeful that China's leaders will soon bring substance to the notion that certain inalienable rights pertain to all citizens. With this recognition, I can imagine an unlimited future for China and its great people." Secretary Kerry's statement can be found [here](#), and Ambassador Locke's statement can be found [here](#).

### **CECC Roundtable on China's Treatment of Foreign Journalists**

On December 11 at the Capitol Visitor Center in Washington, the Congressional-Executive Commission on China held a roundtable on "China's Treatment of Foreign Journalists." Panelists included: Paul Mooney, Freelance Journalist; Edward Wong, Correspondent, The New York

Times, Beijing Bureau; Bob Dietz, Asia Program Coordinator, Committee to Protect Journalists; and Sarah Cook, Senior Research Analyst for East Asia, Freedom House

### **Kerry Talks with Chinese Foreign Minister**

On December 15, Secretary of State John Kerry spoke on the phone with China's Foreign Minister Wang Yi. Their discussion covered U.S.-China relations, peace talks between Israel and Palestine, Syria, and other topics.

### **USCC Staff Report on Distant Seas Combat Capabilities**

On December 16, the U.S.-China Economic and Security Review Commission (USCC) released a staff report titled "*Maneuver-5*" *Exercise Focuses on Improving Distant Seas Combat Capabilities*. The report can be found [here](#).

## **ENERGY & THE ENVIRONMENT**

### **EPA Administrator Visit to China**

During her 4 day visit to China last week, Environmental Protection Agency administrator Gina McCarthy met with that country's National Development and Reform Commission. This was McCarthy's first international trip as Administrator of the EPA. During her trip she published an op-ed in the China's Global Times, which can be found [here](#).

### **Biden Promotes HFC Cooperation with China**

Vice President Joe Biden was in China two weeks ago, and he and Chinese officials [agreed](#) December 5 to improve cooperation on reducing hydrofluorocarbons use. A new contact group on HFCs was proposed and approved. The agreement also included efforts to assist China in implementing low-sulfur fuel and motor vehicle emissions standards.

## **TRADE**

### **USITC Determination on Steel Nails From China**

On December 11, the U.S. International Trade Commission (USITC) determined that revoking the existing antidumping duty order on steel nails from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. As a result of the Commission's affirmative determination, the existing order on imports of this product from China will remain in place. All six Commissioners voted in the affirmative. The Commission's action comes under the five-year (sunset) review process required by the Uruguay Round Agreements Act.

### **USITC Determination on Refrigerant 1,1,1,2- Tetrafluoroethane**

On December 13, the United States International Trade Commission (USITC) determined that there is a reasonable indication that a U.S. industry is materially injured by reason of imports of the refrigerant 1,1,1,2- Tetrafluoroethane from China that are allegedly subsidized and sold in the United States at less than fair value. All six Commissioners voted in the affirmative. As a result of the Commission's affirmative determinations, the U.S. Department of Commerce will continue to conduct its investigations on imports of these products, with its preliminary countervailing duty order due on or about January 15, 2014, and its preliminary antidumping duty order due on or about March 31, 2014.

### **Chinese Duties on Certain U.S. Autos to Expire**

Also on December 13, and in advance of the upcoming Beijing meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT), the Chinese Ministry of Commerce announced that it will allow antidumping and countervailing duties on certain U.S. vehicles to expire. According to the Ministry of Commerce, there have been no applications for renewal of the duty

investigations.

### **USITC to Continue Duty Orders on Hot-Rolled Steel From China**

On December 17, the U.S. International Trade Commission (USITC) determined that revoking the existing antidumping and countervailing duty orders on hot-rolled steel products from China, India, Indonesia, Taiwan, Thailand, and Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. As a result of the Commission's affirmative determinations, the existing orders on imports of these products from China, India, Indonesia, Taiwan, Thailand, and Ukraine will remain in place. The Commission's action comes under the five-year (sunset) review process required by the Uruguay Round Agreements Act.

### **JCCT Meeting in China This Week**

The 24<sup>th</sup> meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT) will be held in Beijing on December 19<sup>th</sup> and 20<sup>th</sup>. The JCCT will be co-chaired by Secretary of Commerce Penny Pritzker, USTR Michael Froman, and China's Vice Premier Wang Yang. They will be joined by Agriculture Secretary Tom Vilsack. Established in 1983, the JCCT is the main forum for addressing bilateral trade issues and promoting commercial opportunities between the United States and China. The JCCT holds high-level plenary meetings on an annual basis to review progress made by working groups that focus on a wide variety of trade issues. These working groups meet throughout the year to address topics such as intellectual property rights, agriculture, pharmaceuticals and medical devices, information technology, commercial law, services trade, regulatory barriers to our exports, tourism, and statistics. The 2012 JCCT meeting was held in Washington, where the two sides addressed intellectual property and innovation issues, agreed to eliminate significant regulatory obstacles that impeded U.S. exports, and secured meaningful steps for dealing with issues surrounding China's Government Procurement Agreement accession. A press release from the Department of Commerce can be found [here](#).

---

*[Click here to view ML Strategies professionals.](#)*

---