

**“The Dynamic U.S. Trade Relationship with Asia”  
Remarks by Ambassador Ron Kirk, U.S. Trade Representative**

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Well, good morning. And Rich, thank you for the kind words of introduction.

And thank you as well to Senator Gordon for the great welcome and assistance that you provided during our visit to Seattle last year, in hosting us and a number of our colleagues during our ASEAN road show. So, thanks to you and thanks to the National Bureau for Asian Research for all that you've done to support our efforts and to serve as the great counselors and advisors and the resource material that you had for our team.

Before I go further, and I think you all know her, but one of our very talented, dedicated staff is with me today. But, certainly her work and leadership is integral to a big part of what I'll talk about today. But, our Assistant U.S. Trade Representative Wendy Cutler is with me.

And Wendy has been integral to our work. And she negotiated the original Korea Free Trade Agreement and helped us with the Amended Free Trade Agreement, but--and so much of the work that we do throughout Southeast Asia. So, if you don't know her, but--join me in extending my thanks to Wendy for her great work.

I would be remiss if I proceeded with my substantive remarks before taking one moment of personal privilege to echo the words of President Obama and others in our cabinet in expressing our just profound shock but also our condolences over the extraordinary tragedy in Japan, and offering our heartfelt sympathies to our friends and our neighbors, for many of us our families, who are going through a period of extraordinary suffering and loss as a result of the earthquake and tsunami.

For many of us, I know if you're like me, I just can't seem to tear myself away from the pictures and the stories. And they just seem to get more compelling every day. For those of us that have had an opportunity to travel to Japan, it's that much more compelling.

Rich was way too kind in his remarks about my being an ambassador of many hats. But, for me, watching the stories today about the tragedy Sendai, I was privileged when I was mayor of Dallas to travel to Sendai a number of times. We had a friendship city relationship. And I'm sure all of you have similar stories.

But, know that--I think I speak not only for the Obama administration but certainly the American

public, that we continue to hold the people of Japan in our thoughts and in our prayers. You may be interested to know that President Obama spoke with Prime Minister Kan again last night, the third time, in fact, they have spoken since this horrible tragedy.

And the President wanted to simply convey that the United States still continues and will continue to stand with Japan and offer whatever assistance that we can make as they try to recover from the effects of this, and that this is a friendship and a partnership that has endured and will endure. And we're going to be there not only for the short term, for the--but for the long term as well. And I don't know that I'd be telling you anything of surprise, that Prime Minister Kan, I think, welcomed the call and expressed his thanks to the President and the American public as well.

We also--I'm also mindful of the fact that Japan's not the only country in the region that has been challenged. And we continue to pray--be prayerful and watch as our friends in Australia recover from the effects of their recent flood. And certainly our friends and neighbors in New Zealand continue to recover from the recent earthquake in Christchurch as well.

All of these events, as tragic as they are, though, remind us just how interconnected we are as a world, but certainly those of us that share the--and are linked by the Pacific Ocean. Even as we support initially on focusing on recovery and disaster relief, we're also reminded daily, as we transition otherwise, how this affects us in our business lives from everything--the disruption of our supply chain throughout areas in the Pacific and how that relates to the production of everything from automobiles to high tech equipment here in the United States. And we are beginning to see ripple effects in industries throughout the Asia-Pacific.

But, I also think it underscores the urgency of our work that we are undertaking in the United States as we seek to chart a more ambitious path to increase our trade and economic integration across the Asia-Pacific in cooperation with our trade partners. As we reflect on this very dynamic trade relationship, I think it's helpful to begin with some broader context for our overall U.S. economic policy as well as what we are fashioning as the Obama administration's trade policy.

I think you all are probably aware that in his State of the Union address this year, President Obama spelled out in some detail his vision for the United States for our long-term economic prosperity and detailed in his own words what we need to do to win the future and secure better jobs for Americans, not only as we recover from this economic crisis but also as we look towards the future.

The President's plan calls for enhancing U.S. competitiveness through investments in education, innovation, and infrastructure, while at the same time reforming government and cutting what we cannot afford so that we can live within our means and make the necessary investments to build a foundation for our future economic growth. Within that, the President identified trade as a critical component of our plan to win the future, because trade opens borders. It opens access to new markets and helps to enhance U.S. competitiveness and economic growth.

And all signs indicate that the Asia-Pacific region will continue. In spite of all of these extraordinary recent natural phenomenas, all economic indicators still point to the Asia-Pacific region as one that will experience some of the most rapid and dynamic growth in the near future and over the coming decade.

So, for fairly obvious reasons, we have very high ambition within the region. And we are setting our standards and goals as high as we can so that we can have a trade policy that does, in fact, broaden our reach and supports jobs, supports innovation and greater shared prosperity with our partners throughout the Asia-Pacific far into the 21st century.

Now, we believe these goals can best be achieved on a platform that has a broad based regional trade support and that is more responsible to our global producers and consumers, as well as flexible enough to grow with future business and technological advances.

And of course I could spend an extraordinary amount of time today just talking about what we are attempting to do throughout Asia-Pacific, but I do want to have some time to entertain your questions. So, rather than trying to go into an exhaustive explanation of everything we're doing with the TPP and others, I'd like to approach it in a different way and highlight four key elements of our trade policy that underlie everything that we're doing and that we have done, whether it's relative to the U.S.-Korea Free Trade Agreement, the Trans-Pacific Partnership, or some of the work that we're doing in APEC.

And what I'd like to talk about are these four basic principles. One is fostering and protecting innovation. Secondly, reducing non-tariff barriers to trade. Third, our work to broaden and respect labor rights and the environment. And fourth, an element we don't talk as much about, and that's our engagement with stakeholders.

In turn, I will talk about each of these as they apply to some of our key initiatives, particularly the work that, again, we did with respect to the U.S.-Korea Free Trade Agreement, the work we are undergoing with our Trans-Pacific Partnership, our preparations for both the Ministers' Trade Meeting of APEC and the President's hosting the APEC forum later this year, and then our ongoing dialog with China.

First, we are seeking to set the highest standards as it relates to protecting and promoting innovation, which is critical to the economic growth and prosperity. We think not just of our United States economy, but most of the economies in the Asia-Pacific region. The United States continues to be the most innovative economy in the world, and our administration is doing everything we can to support that innovation and support the jobs that are dependent on American innovation, including protection of and enforcement of U.S. intellectual property rights.

With respect to the U.S.-Korea Free Trade Agreement, we believe that it contains some of the strongest protections for intellectual property rights that the United States has ever negotiated in a trade agreement to date. It also includes important state of the art provisions that will protect American brand name products, copyrighted content, patented innovations--I mean patented inventions, and including strong enforcement provisions within the FTA.

Fostering respect for intellectual property rights is also critically important to the work and one of our principal objectives in our negotiation with our partners in the Trans-Pacific Partnership. It is our goal to make the protection and enforcement of intellectual property rights a cornerstone of the TPP, because intellectual property is critical to the development of knowledge-based and creative industries. And we believe a strong intellectual property framework gives every country the potential to attract trade and investment and move up the manufacturing value chain to become an IP producer.

In APEC, which we will be hosting, I think you know, later this year, we are also discussing the intersection between trade and innovation. Specifically, we are examining ways to advance, through APEC, the adoption of competitive market-driven innovation policy in the region that's critical to economies ability to use technology to promote innovation.

This initiative will give us a great opportunity to discuss the ability to use technology which is critical to growth, and to discuss policies that limit this access that may be detrimental to countries future economic prospects.

And of course any conversation about innovation and, correspondingly, any conversation about protecting intellectual property rights in our office has to devolve--involve some discussion of our relationship with China. To be sure, we have made very substantial progress through our various dialogs with China, whether it was through the Strategic and Economic Dialogue headed by Secretaries Clinton and Geithner through our Joint Commission on Commerce and Trade, chaired by myself and Secretary Locke, hopefully soon to be Ambassador to China Locke, or through direct engagement from President Obama and President Hu.

We have encouraged China to end indigenous innovation policies that we think create an uneven playing field for American entrepreneurs and stifle the strong open innovation that will benefit not only the United States but, we think frankly, benefit the next generation of Chinese entrepreneurs.

At last year's JCCT in particular, we achieved some of the strongest results we've seen in years as it relates to intellectual property and innovation, including commitments by China to increase the purchase and use of legal software by China and its governmental sub-entities, and more importantly, that they would fund it.

China's made--one of the criticisms we've gotten in the past is China has made a commitment to increase the use of its legal software, but they did not give any of the governmental entities the resources to purchase that. So, one of the big changes, and what's encouraged us, they've agreed not only to provide resources for that but they're also going to audit the implementation, which we are greatly encouraged by.

China separately committed to separate its innovation policies from the provision of government procurement preferences, which was a very key concern for many of our businesses and manufacturers.

Moving forward, we will continue to use the full set and the full range of our tools and our resources to encourage China to implement policies that allow for true innovation to thrive, for open markets and strong intellectual property protection, and competition.

Secondly, I'd like to talk about some of the efforts we are engaged in to reduce non-tariff barriers to trade, because we-- increasingly what we hear from business when we engage you is, in many cases as the formal tariffs and duties come down, we are beginning to see a proliferation of the use of non-tariff measures that can restrict market access as well.

To reduce and/or eliminate non-tariff trade barriers, for example in the U.S.-Korea Trade Agreement, we set some of the highest standards for regulatory transparency that we've ever put in an FTA. For example, Korean authorities have agreed that they'll publish any proposed new

regulations in advance and make sure that not only Korean businesses, but that foreign competitors and interests have an opportunity to comment just as we do here in the United States.

Similarly, in both the TPP and APEC, we will address the issue of non-tariff barriers to trade as well. In the TPP negotiations, we are examining trade and investment barriers that specifically affect small businesses' ability to participate in global trade.

One of our concerns is that, at least in the U.S., we are challenged by the reality that about 95 percent of U.S. exporters are small to medium size businesses. Now, that's against a backdrop and a reality that that's less than 1 percent of the universe of small businesses in the U.S. So, we think that's low hanging fruit. That's a great opportunity.

But, in a number of forums that we have done around the country, one of the biggest complaints we hear from small businesses is just the lack of regulatory coherence, how difficult it is for a small business. And I'm not picking on the big guys, but, you know, GE, Boeing, the largest exporters have resources that, you know, an--a business with 10 employees, 200 employees just doesn't have.

So, a big part of what we're doing in both TPP and APEC is seeing what we can do to make it cheaper, easier, faster, and less intimidating for small businesses not just in the U.S. but in--throughout the APEC region to be able to participate in global trade.

In APEC in particular, we've set a goal this year to work toward building a seamless regional economy. And we are seeking measures that will help facilitate the flow of goods and services throughout the region.

With respect to China as we address non-tariff barriers, we have to use every resource available to us, again from our engagement through the Strategic Economic Dialogues, our Bilateral Dialogues, the JCCT to, in cases where we had to, challenging China at the WTO.

In another example, at this year's JCCT we were able to get China to commit to eliminate an eligibility requirement that had blocked many foreign providers in the wind power sector from competing on their turbine manufacturers. They had a legal requirement that you had to demonstrate your ability to do a project, but it had to all have been done in China. So, if you were a company, whether you were in the United States or the EU or Japan and you'd been doing wind turbines for years, you could not use that to comply. We got them to agree to reverse that and to use experience elsewhere in the world.

Recently, we also challenged China within the WTO over policies that we believed ensured a national champion dominated China's electronic payment services market to the detriment of highly competitive U.S. firms.

Now moving on to our next topic, we realize and recognize that as regional integration accelerates our economies are becoming even more and more interdependent. And in order to promote stability, ensure a level playing field, we are also seeking to set very high standards for the protection of workers' rights and the environment.

Again, in the U.S.-Korea Free Trade Agreement, we included the highest standards for the protection of labor rights and the environment we've ever negotiated in an FTA. It contains mechanisms for the effective enforcement of labor and environmental laws combined with strong

remedies for noncompliance. And as a result, we have an agreement that provides a level playing field for American producers by upholding some of the strongest labor and environmental protections.

In the Trans-Pacific Partnership, our negotiators are seeking that same high standard. We are engaged not only with our partners but, in this case, this is an issue of intense interest to many in Congress. So, even as we have engaged with our partners within the partnership, we are engaged in conversation, frankly, with Congressional Democrats and Republicans on finding the right balance to express how we want to express our support for strong labor and environmental provisions, and also to extend what we've done, for example, in what's known as the May 10th Agreement and begin to address new areas like the illegal trade in fisheries, wildlife, and logging.

Through the APEC Cooperative, one of our priorities is to take steps to promote green growth, including eliminating barriers to trade in environmental goods and services within our region and facilitate trade in remanufactured goods and low carbon vehicles, and combat trade in illegal logging.

With respect to China, we will continue to engage our partners on labor and environmental issues, including in particular how we can find common ground to promote the increasingly green technology sector.

But, where we could not make effective progress with China, again, we do not hesitate to challenge them to comply with the commitments that they have made through the WTO. And another recent example is we brought another case to the WTO over what we believed were prohibited subsidies that tipped the innovation scales in favor of Chinese wind energy manufacturers.

This was a 301 petition initially filed by the United Steelworkers last September, I believe. We examined it, found one issue that we have filed for consultations with the Chinese on, and are actually engaged in very productive discussions with China through those consultations.

Finally, I want to address the fourth element that we don't often talk enough about and I don't think gets enough weight in terms of our trade philosophy, and it's our engagement with our stakeholders here in the U.S. One of the principles that has driven my work at USTR was a reality by President Obama that, notwithstanding the economic merits of what we do, notwithstanding the philosophical underpinnings of whether you think global trade liberalization is good or bad, that we're dealing in a world that increasingly Americans have become skeptical about trade.

And one of the reasons is that, frankly, they just don't believe what we've been selling. And increasingly, whether--we had to honestly confront the reality that more Americans just haven't bought into the value proposition of trade and frankly think that cheaper t-shirts and iPads is not worth the price of our jobs being sent somewhere else.

And so, we accepted this as a challenge and a way to strengthen American trade policy by engaging the American public, not just those here in Congress but stakeholders, in moving out and talk to businesses and families to find out what they like about our trade policy and what's frustrated them about it.

And we think because of those efforts over the last 18 months, we've built a new foundation that will allow us not just to be able to move forward, which--I think we're going to have a very strong vote of support for the Korea Free Trade Agreement. We are confident that we're going to be able to come to a successful conclusion of our negotiations with Panama and Colombia. But, if all I did was pass those trade agreements and do nothing to address this fundamental underlying cynicism, I think I would have failed the President and the American public.

So, we think the work that we are doing on engaging our stakeholders not only, in fact, made it possible for us to be so confident about Korea, but we believe we got a better deal because we listened to people. We found out what bothered them. We tried to fix what we can. And for those of you that have followed trade in Washington for more than the last 18 months, I think you would agree with me.

It's fairly unprecedented for the--unprecedented in this town, or at least it's been a long time, that an administration has announced the conclusion of a Free Trade Agreement and not just have it championed by the chamber and the manufacturers and the agricultural groups that are so dependent on trade, but to have the United Autoworkers and the United Food and Commercial Workers and have the major manufacturers stand right there with them and say, "This is a good deal for America."

So, I tell you that just because I want you to know we value our work on outreach as much as we value our efforts to create new market access, as much as we value our work to enforce our trade agreements to ensure a level playing field. And as we seek to secure new commitments with any new trade agreements, we are committed to having that same robust engagement.

We have continued the good work we did on this in Korea through our engagement in the Trans-Pacific Partnership, in which we've had, frankly, an unprecedented level of stake--of shareholder outreach, not only going to Congressmen around, but we have done more by direct video conferences. We've put more information on the Web. We have shared and received more information and input over our plans for TPP than we have ever done before, and we are committed to continuing to do so.

But, we also think this helps us get a better work product, frankly. The more voices that have a seat at the table at least know that they've had an opportunity to be heard. Not everyone gets their way, but we think we end up with a much more informed and energized approach.

And frankly, this is work that I have personally taken the leadership on. I think I've traveled to now over 16 or 17 states. I've been into 45, 50 cities from Maine to Arkansas. As you heard Richard say, from Washington to Texas.

And it isn't just enough for me to go to Washington or my home state of Texas, which is the number one export state where I know I'm going to get a warm reception. It's just as important to you that I've been to Detroit and I've been to Pittsburgh and I've been to Maine, because they need to know that we care about them as well. But, obviously, as you can tell, these are all important to us.

Let me bring this to a close. The four elements that I've described to you, fostering and protecting innovation, reducing non-tariff barriers to trade, respecting labor rights, and a much more robust engagement with our stakeholders are not only themes of our major initiatives across the Asia-Pacific. We think those are the fundamental elements of building a sound and

robust trade policy that will allow the United States to continue to maintain the strong role I think many of you would like to see as a role in being an advocate for global trade liberalization.

It's not always been easy. But, we do think it's essential work and we think it's important work. And make no mistake about it, we will not sacrifice our standards just for the sake of a saccharine consensus. We mean business because we support U.S. businesses both large and small. We support our farmers, our ranches, our manufacturers. And just as important, we support their workers and their families whose livelihood, and millions of others in the countries around the world the border the Asia-Pacific, that are dependent on open trade throughout the region.

So, let me conclude again by thanking Richard and NBR for the great work that you continue to provide in terms of thought and research on the incredible benefits that inure to all of our economies because of this extraordinary resources. And I hope that we continue to work with you and other likeminded trading partners to build a trade policy that helps to support and grow our economy and create the good jobs that all of us seek throughout the region.

So, thank you for the opportunity to be here.

**Dr. Rich Ellings:** Did you want to take a couple questions?

**Ambassador Ron Kirk:** I'm going to get a cup of coffee.

**Dr. Rich Ellings:** Okay. Have to get fueled up. This is a Seattle kind of thing to do, you know—.

**Ambassador Ron Kirk:** --Well--.

**Dr. Rich Ellings:** --The fueling up throughout the day.

**Ambassador Ron Kirk:** There you go. You know, I told Richard the most interesting thing in Seattle--and the only thing I'm waiting for now is for somebody to announce the construction of the first Starbucks within a Starbucks, because I guess that's about all they have left to do.

**Dr. Rich Ellings:** Well, no. You know what they're starting to do now? They're going to serve wine after a certain amount of time. So, I just want you to know--.

**Ambassador Ron Kirk:** --You know, I don't like that. It's bad enough to know that my 13 year olds go to Starbucks. I don't want them drinking the wine.

Now, Richard--I am going to take your questions, but Richard assured me this is a friendly audience. You're going to--you're only going to ask me easy stuff, how my teams are doing or not doing in the NCAA bracket, maybe something like that.

No, I know you've got good questions for me, and I'm happy to entertain them.

**Dr. Rich Ellings:** Well, let's go here. And I know if none of you ask what are we going to get out of APEC this year, I will. So, I encourage there to be some APEC questions.



But, let's start right here. Introduce yourself. You got to promise me to introduce yourself, and then we're going to do a circle right around here. Lots of questions.

**Q:** Eric Weiner, Tokyo Broadcasting System. Thanks for being here, Ambassador Kirk.

Wanted to follow up on the TPP question. Given what's happened in Japan with the tragedy, what is your expectation of Japan joining the TPP? And, you know, as--you know, specifically as it relates to Japanese ag exports--.

**Ambassador Ron Kirk:** --Right--.

**Q:** --Is there going to be a challenge regarding that?

**Ambassador Ron Kirk:** Well, the one thing we want to do is right now keep the focus on helping Japan stabilize, recover, you know, and control what is an increasingly dynamic and difficult situation. And I think the President and our country's focus is rightly on that.

Our ambition, our hope for not only Japan but the other members of the APEC ultimately seeing the value and deciding to partner with us on TPP have not changed. But, we think right now it'd just be a bit cynical to ask Japan. Their attention has to be on stabilizing, you know, the nuclear reactors, rebuilding and recovering.

And that's a decision for them to make. But, obviously we would welcome that. But, we understand, I mean, there are some things that have to take precedence over our commercial interests. And right now, their safety and economic wellbeing is one.

But, when Japan is ready to engage, we would welcome that.

**Q:** Sorry. And the point about the Japanese agricultural exports?

**Ambassador Ron Kirk:** I just--you know, right now, I don't--you know, it's a--I just want to make sure we don't seem to--look, we want to help Japan. It--you know, there are some that may think, in a perverse way, whether it's Japan or New Zealand, that when you have, you know, a natural disaster, it may open some doors and otherwise.

But, the one thing we don't want to do--I mean, our partnership with Japan is so good, I think the ag we're doing right now is so strong, I don't think we want to do anything that even hints at us trying to exploit, you know, what really is a horrible tragedy.

If they ask for our assistance and open doors, that'll be great. But, we want that to be their decision right now.

**Dr. Rich Ellings:** Yes, right there.

**Q:** Thank you. And--Ki Kai Wang with New Tang Dynasty Television.

I have a question regarding China. When China joined the WTO, it promised to open the market of media and publications. However, it failed to do so.

In year 2009, the WTO ruled against China's system of monopoly control over this--the entertainment products. So, WTO gave China another deadline, which is March the 19th this year, which already passed. But, China still have close control over these markets. So, I'm wondering what U.S. can do about it.

**Ambassador Ron Kirk:** You know, we have engaged China on a number of areas, particularly in the entertainment and information industries. And we have challenged them and successfully won on a number of those cases.

I'm not--and forgive me, I'm not as up to date on this specific one. If you'll allow me to maybe consult with our team, get you a more thoughtful answer.

I would say broadly our approach to China with everything is the same as it is with our partners in Canada or Mexico or Japan. And it really has been informed by my travels around the country.

The one thing the American people have asked me to do, that frustrates them about our trade policy more than anything, simply ask our trading partners to live up to the commitments they've made. So, whether it is grain or it is steel, raw earth materials, indigenous innovation, all we want China to do is live up to the commitments you've made.

And we're going to continue to engage them. Again, I'd like to get back on your specific case. But, that is one value of our engagement with China through the Joint Commission on Commerce and Trade, and we literally had a team there just this week. Ambassador Marantis and Deputy Under--I forget her title--Under Secretary of the Treasury Lael Brainard are there laying the groundwork for both strategic, economic dialog in these. But, we pressed them on these issues. And we want them to comply.

**Dr. Rich Ellings:** I can say that I have seen two premiers in China that we didn't realize were premiers over the years.

Anyway, back there, there was another question. Let's go to the young lady with her hand up. And then behind, the fellow with the beard, he'll be next.

**Q:** Thank you. I'm Wang Zhaojun from International Fund for China's Environment.

I have a question concerning the environmental environment and labor require a strong environment and labor requirement. How will it work on China exports? And what's the possible influence it will have on U.S.-China trade relationships? Thank you.

**Ambassador Ron Kirk:** Well, the one--you know, there is two ways we have found to engage our partners on seeking to strengthen labor and environmental ways. And I would be honest. I think one of the least effective is when our partners feel like that the United States is trying to preach to them and dictate and transport our values on them.

The most effective engagement is when we can get our partners to help them to understand this is in your interest. This is in the interest of an economy that's trying to move 600 million people additionally from less than \$2.00 a day to, you know, a higher standard of living, to do so in a way to, frankly, learn from some of our mistakes and some other developed economies, that you can do so in a way that you protect the environment.

We know that China, India, Africa, Brazil are going to have explosive growth, both economically but also population wise. We welcome that. We think that's a great way we're going to grow our economy. But, we also know this planet isn't going to get any bigger.

We are resource constrained. And what we can share, what we can learn from one another about how we grow our food, create the resources to fuel that growth, if we can do it in a way that we preserve and protect this planet, we think that's not just in the interest of the United States, that's in the interest of China.

And with respect to labor laws, I know there are many that have criticized our work in this, particularly as it relates to the time we've taken with respect to Colombia. But, as I've said, this is something that's important to the Obama administration. And we think it's important to the United States, and we won't compromise on.

United States people don't spend as much time thinking about trade, frankly, as people who live in an economy that's--you know, trade is 80, 90 percent of their GDP. But, the U.S. public's pretty smart. And what they don't want us to do is have trade policy that creates a perverse incentive for, frankly, what they think, American businesses to move to a country that doesn't respect the rights of children or women or abuse their workers, because you may get a cheaper product but it's coming at an extraordinary cost.

So, these are values that we push not just with China, but with all of our trade partners. But, we think as the Chinese people begin to see the value of that, it'll have more of an impact on their leadership than just us always banging the table and demanding it.

But, what we want to see China do is adopt just some basic international principles that we think all developing and certainly advanced developing economies should share in common.

**Dr. Rich Ellings:** Yes. Back there?

Again, please--.

**Q:** --Yes. Hi. My name is Ben Hancock, and I write for Inside U.S. Trade.

I was wondering, House Ways and Means Ranking Member Sandy Levin yesterday said that the administration should go ahead on Korea and try to kind of force the Republican leadership's hand by just submitting the implementing bill. And I'm wondering if that's something you would advise the President to do, go ahead and show Republicans the draft, and then if they decide not to move on it, just go ahead and try to move forward with that anyway. What are your thoughts on that?

**Ambassador Ron Kirk:** Well, I--it's Chairman--Ranking Member Levin, former Chairman Levin, has been a great friend, is a good friend, someone who is one of the thought leaders in our party on trade. But, my responsibility is to work with the President to make sure that we move all of our trade agenda forward.

And I appreciate Congressman Levin's thoughts, just as we appreciate the thoughts of Chairman Camp and others that have said, "Don't do anything. Send them all." My job is to go get these agreements done, and then I'll leave it up to, you know, the political team at the White House to do it.

Now, we have been very public and very honest that Korea is ready. And there is no reason--and for all the reasons we have been urged to hurry up and conclude our work with Colombia and Panama because we're losing market share and they're signing other Free Trade Agreements, we just hold up a mirror and say, "That's Korea."

Korea is ready. They've signed an agreement with us. They're about to implement an agreement with the European Union. So, not only do we have a strong agreement, but we have a competitive necessity to move forward. We have--I sent a letter to Chairman Camp and Chairman Baucus, I think three weeks ago before I testified before Senate Finance, and advised them the administration is ready to engage, and encouraged them to move forward with Korea even as we seek to conclude our work with Panama and Colombia.

**Dr. Rich Ellings:** Another question over here. Yes, sir?

**Ambassador Ron Kirk:** I'm going to spend all afternoon with them.

**Dr. Rich Ellings:** I know. I looked over here. They're raising their hands.

**Ambassador Ron Kirk:** Doug Nimble [sp] spent all afternoon with you. No, you should--.

**Dr. Rich Ellings:** --Yeah. Do you have a question?

**Q:** Well, I just wanted to pick up on one thing, because you said in your speech where you were talking about the wind turbine case against China, and I believe you said that the consultations had been productive on that. I just wondered--I mean, do you have a sense that maybe that dispute could be resolved through the consultation period?

**Ambassador Ron Kirk:** Well, I won't--and I knew you would pick up on that. It is our general rule not to get into specifics.

But, I would tell you, just my own--the Kirk doctrine of trade policy. You know, some people come to me and say, "Why don't you sue, sue, sue, sue, sue?" And I was--you know, people talk about my life as a mayor, but I was a lawyer. Lawyers love nothing more than going to sue, sue. We do very well when people sue.

Our clients don't always do as well, because these lawsuits at the WTO can take years. And I do think if I bring anything, you know, to this job and my work as a U.S. Trade Ambassador from my time as mayor, at least it's a reality that, you know, Boeing, Google can survive a three year dispute with China. The small businesses that we care about cannot.

So, our goal is always get it resolved and get it resolved faster. If we can do it through direct engagement, great. If we can do it through the Strategic Economic Dialogue or JCCT, that's great. If we can't get it done there, we'll file. And when we request consultations, for me that really is a way to see, "Let's sit down and see if we can't talk this out and get it resolved. I would much rather get it resolved here than engage in what's going to be a protracted battle."

So, that--we did that with the European Union on beef. We've done that in every--that's our objective in every case. And that's our objective here.

**Q:** And you think that it's possible in this case?

**Ambassador Ron Kirk:** I would hope so. You know, it is a--an engagement with the Chinese. But, that's our objective.

**Q:** I don't want to--.

**Dr. Rich Ellings:** --Ed, do you have one?

**Q:** Sure. Ed Gresser with Progressive Economy.

**Dr. Rich Ellings:** He's one of our authors of this joint publication that we've done that assesses issues before Congress this year concerning Asia. So, we've heard a lot from Ed, but I thought we'd hear some more. So, Ed, could you--?

**Q:** --Well, it's more a question rather than an oration.

We made a--we make a strong pitch for passing KORUS. I think your presentation on China is very interesting. I think the administration has not got credit for all its achieved in the China relationship.

**Ambassador Ron Kirk:** Ed, so that everybody can--it might help. I hate to--.

**Q:** --Oh, sorry.

**Ambassador Ron Kirk:** The teacher in me--now, I'm going to be your teacher and say sit up straight and hold that microphone so they can--I can hear you, but they can't. So--.

**Q:** --Is the microphone--?

**Ambassador Ron Kirk:** --There you go. That's--.

**Q:** --Oh, the microphone is--okay--.

**Ambassador Ron Kirk:** --Much better.

**Q:** I was pointing it in the wrong direction.

In our report, we make a strong pitch for passage of KORUS. And I think your presentation on China is really interesting. I don't think the administration's got quite the credit it should have for the achievements to date.

What I would like to--.

**Ambassador Ron Kirk:** --You're not only an intelligent man, you're a--you're not handsome, you're a smart man.

**Q:** Yes, you could tell my wife that.

**Ambassador Ron Kirk:** That's right.

**Q:** One thing that is a real source of unhappiness for me is that we have a very harsh and punitive trade policy toward Cambodia and toward Pakistan and toward Bangladesh, toward the low-income Asian countries that depend on selling clothes to the United States for most of their jobs.

And in the case of Pakistan, it's especially odd because we're working hard to give the Pakistani government a billion and a half dollars a year, and then imposing a half billion dollar tariff penalty on the one thing that is providing jobs and putting people to work and helping the economy grow there.

I wonder if there's something can be done about this. Why is this a situation we're comfortable with?

**Ambassador Ron Kirk:** Well, I won't--I'm not going to speak to it's a situation that necessarily we're comfortable with. It is what it is. We are challenged, you know, in some of these countries that they are competing interests, sometimes from industry, sometimes for members of Congress. But, it is, you know, one hope that we have, and I can't speak to all of them.

But, say for the sake of, you know, Bangladesh, as you know, one of the hopes was that if we could find a way--and we didn't spend any time talking about it. But, if we could find a way to bridge the differences and create a more compelling package in the Doha Round is that it would have benefits to a number of these least developed countries, particularly some of those that you have met.

We have had different efforts without the success we wanted to look at the use of reconstruction opportunity zones, say in Afghanistan or Pakistan. But, we--and that continues to be something that is--that we think is important and would be a valuable tool not only for the commercial relationship but for security as well. We just have to see if we can't bridge the differences between an approach and some members of Congress.

**Dr. Rich Ellings:** I understand that you have to go. But, I'm going to take the prerogative of asking--.

**Ambassador Ron Kirk:** --Well, this gentlemen's had his hand up--.

**Dr. Rich Ellings:** --He--.

**Ambassador Ron Kirk:** --A long time.

**Dr. Rich Ellings:** I know, but--.

**Ambassador Ron Kirk:** --And so--.

**Dr. Rich Ellings:** --Are you going to ask about--?

**Ambassador Ron Kirk:** --No, are you saving me? Is he going to--?

**Dr. Rich Ellings:** --Are you going to ask about the--?

**Ambassador Ron Kirk:** --He looks friendly enough. I don't--.

**Dr. Rich Ellings:** --Is that in the context of APEC, because what are we going to accomplish in APEC?

**Ambassador Ron Kirk:** Well, you know, the one good thing, APEC's a great success story, because it is a coalition of the willing. We do good work. We're continuing to look at regulatory coherence, what we can do to reduce non-tariff barriers. We're looking at work within the environmental--you know, environmental goods and services. We have four or five major areas that we are looking to address to try and continue to make progress on.

But, we're excited about that. We've had our first--our senior officials met with their first working group meeting, I think last week. And we are--I think you're going to see good progress and continued progress.

**Dr. Rich Ellings:** Okay. Okay. Okay.

TPP?

**Q:** TPP.

**Ambassador Ron Kirk:** If you would--if she'd give the mic, because--just in fairness so they can hear.

**Q:** Thank you.

**Ambassador Ron Kirk:** And this will be--I think this'll have to be--.

**Q:** --Okay--.

**Ambassador Ron Kirk:** -- The last question.

**Q:** Ambassador Kirk, it's obviously necessary to not push Japan in any direction until they get their own serious tragedy resolved. But, I want to follow up a little bit on TPP.

In January, when the Japanese sent a group to speak to your people with Barbara Weisel and possibly with Wendy as well, when the--when it opens up again, maybe in eight months, maybe in a year, the Japanese are themselves saying that they can deal with their agricultural problem. They know that that issue is going to be a major one.

But, beyond agriculture, do you see other major areas that could cause problems, whether it would be in insurance or pharmaceuticals? Or, should the United States, in your view, take the position, when Japan comes again, as it will in a year or so, to say, "We do--we, U.S., want you to participate," and--or are there going to be other problems, as I say, in terms of insurance or pharmaceuticals? Or, what would you envisage in--as the next round of possible difficulties?

**Ambassador Ron Kirk:** Well, I'll put on my mayor's hat and say, look, there is an opportunity to address those.

Look, Japan knows the areas that concern us. We know that. We've tried to not make that a precondition, but you understand they know there's an extraordinary frustration over the continued closure of that market for beef. There's anxiety over what they may do on insurance.

But, I'd rather focus on the fact--and I would say singularly to me, the big story out of APEC in Singapore was the speech that Prime Minister Kan gave. I thought that was as courageous as any, knowing how sensitive the issue of agriculture is in Japan, for the Prime Minister to say, "We get it, but Japan's future is going to be as it was in its past. And we've got to compete and open up." And it added weight. It added excitement to what we're doing in APEC that could be felt through all the economies in there.

And so, I would rather be encouraged that this is something, first of all, that--Japan understands what they're going to have to do if they're going to seriously engage. All of the partners, what excites us most about TPP? And I won't--I'll try not to take too long.

And I love all my work, but with Korea, Panama, and Colombia, you know, I inherited a set of opportunities. But, I inherited a set of biases in which everyone was locked in their opinions over what we'd done right, what we'd done wrong. And at least with TPP, it was the first time I was able to sit down with our team and said, "You know, if we had a blank sheet of paper and if we were, you know, God forbid, building a 21st century trade model rather than trying to, you know, re-jigger what some people think is either a flawed model or not, what would it look like?"

And I say that, that at least what is guiding our efforts in the Trans-Pacific negotiations is every partner has at least signed on to the principle. We're going to reach as far as we can.

Everything's on the table. Now, obviously you know we're now to the hard part where people are going to begin to say we can and we can't.

And all we're asking is that, whether it's Japan or Canada or anybody else that seeks to engage, they're going to have to come with that same open mind to put everything onto the table to discuss. And then, you know, once Japan makes that decision, then we'll decide what's the best way to move forward.

Listen, thank you all again for being such a good audience. And we look forward to working with you.