

Press Releases: Previewing the U.S.-China Diplomatic and Security Dialogue

Special Briefing

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Via Teleconference

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MS NAUERT: Hi. Good morning, everyone, and thanks for joining us for a preview today of the U.S.-China Diplomatic and Security Dialogue that will take place at the State Department on Wednesday of this week. We have with us right now Susan Thornton, the Acting Assistant Secretary for East Asian and Pacific Affairs, to talk about the upcoming dialogue. As a reminder, this call is on the record. It will be embargoed until the end of the call, and we welcome your questions. I'll take – hand it over to Susan right now, who's with us. Susan, thanks.

MS THORNTON: Thanks very much, Heather, and thanks all of you for being with us here today. As you all know, Secretary Tillerson and Secretary of Defense Mattis will be hosting State Councilor Yang Jiechi and the PLA Chief of the General Staff General Fang Fenghui on Wednesday for the first iteration of our Diplomatic and Security Dialogue with the Chinese. And we will call it for the purposes of the call the DSD for short.

So you'll recall that this DSD dialogue was established under the broader framework of the comprehensive dialogue mechanism that came out of President Trump's meeting with President Xi Jinping in April. We hope that the D&SD dialogue, Diplomatic and Security Dialogue, will continue the positive momentum from that Mar-a-Lago meeting, and we think it will enable us to deepen our communication and make progress on priority issues.

If you recall, there was a comprehensive dialogue mechanism that was established at Mar-a-Lago which includes three other dialogues other than the first one, the Diplomatic and Security Dialogue, and those cover Comprehensive Economic Dialogue, the Law Enforcement and Cyber Strategic Dialogue, and the Social and People-to-People Dialogue. Those dialogues will be taking place later on in the coming months, and we will update you when we have any information on those.

Of course, the United States is continuing to pursue a constructive and results-oriented relationship with China, one that benefits the American people, remains faithful to our allies, and presses China to abide by international rules and norms while contributing to international security.

Reflecting our desire for a streamlined approach, the Diplomatic and Security Dialogue will more narrowly focus on key security issues than we had in the previous strategic dialogue with China, which was more wide-ranging.

Specifically, we are going to give the DPRK/North Korea issue top priority in our discussions, aiming to advance concrete cooperation with China towards a peaceful resolution of the nuclear and missile threat from North Korea. The United States remains committed to holding North Korea accountable for its flagrant and repeated disregard for multiple UN Security Council resolutions which expressly prohibit its ballistic missile and nuclear programs. We continue to urge China to exert its unique leverage as North Korea's largest trading partner, including by fully implementing all UN Security Council sanctions.

The two secretaries also intend to have discussions with their Chinese counterparts about other important strategic and security issues such as the South China Sea and maritime issues, working to defeat ISIS, and other risk reduction efforts and military-to-military relations. We remain committed to a policy that aims to expand cooperation with China where it's possible and also to narrow our differences on key issues. We do not expect that we will resolve all of our differences with China in one dialogue or in one day, but we do expect to achieve concrete results for the American people.

Some notes here on the order of events. Participants will start in the morning and work through lunch, discussing priority topics in depth. The press office will have some details on the access to those events, including any press availabilities by the Secretary after the dialogue. The participants will then break for the afternoon and close with a small group dinner at the end of the day on the 21st.

So with that introduction, I'd be happy to take some questions.

MS NAUERT: All right, thanks, Susan. Let's start out with Bloomberg.

OPERATOR: Thank you. Nick Wadhams with Bloomberg, please, go ahead.

QUESTION: Sure, thank you. I just have two questions. Can you be a little bit more specific about how this differs from the S&ED? As far as I understand from what you're saying, it seems to be it's sort of a more narrow focus and more focus on security, but could you elaborate on that?

And then secondly, could you let us know – I mean, is the administration considering any sort of response or retaliatory action against North Korea after – now that details have emerged about the ordeal that Otto Warmbier underwent when he was detained by North Korea? Thanks.

MS THORNTON: Sure. Thanks, Nick. So first on the question about the difference between the dialogue structure that we're pursuing now with China versus the former Strategic & Economic Dialogue, you may remember that the Strategic & Economic Dialogue was a pretty wide-ranging collection of issues and agencies and meetings. It combined both strategic and economic and cross-cutting issues. We had the economic-focused agenda was covered in an economy

track of that dialogue, and then the security issues were covered by the strategic track, and then we had some issues that were cross-cutting in the area of global issues like health, environment, et cetera, where both tracks came together to discuss those issues.

So I think what we're doing now is we're trying to – we felt that that structure for the dialogue had become overburdened with ceremony and there were too many issues to cover any issue in depth and make substantive progress. So what we're doing now is we're trying to elevate the level of the dialogue so that we can reach and get authoritative input from key decision makers on the Chinese side. But we're also trying to take on a few key priority issues and elevate those to try to get progress on our most difficult and urgent challenges, I would say. So both in the security and diplomatic realm but also on the economic side, you've seen that they have this 100-day plan with a few key items in the economic space to try to get progress on. We're also going to be working in the same way on the law enforcement and cyber issues. All of these issues had previously been part of the Strategic & Economic Dialogue, but they were all done kind of at the same time without a lot of in-depth focus on priority issues.

So I think that's why we're trying to kind of separate out the dialogues now, elevate them, and sort of narrow the number of issues we're trying to tackle in each one. And then obviously, as we go forward, we'll have another Diplomatic and Security Dialogue with China, possibly even another one this year, and the kinds of topics that that we focus on could change from one to the next. For this current one coming up, we're going to be focusing, as I said, on – particularly on the urgent threat posed by North Korea, and we expect that that will take some time. We don't expect that we'll resolve that problem on Wednesday. But we hope that some of the other issues we're tackling, like military-to-military confidence-building measures, might – we might make some progress there. And then we might move on to specific discussions of other measures at the next dialogue. So that's the approach that we're taking now.

On the issue of North Korea and the situation after the return of Otto Warmbier, of course, we are very happy to see that Otto Warmbier has been able to return to his family in Ohio and be reunited with them. We're certainly aware that there are three other American citizens still being held by the North Korean regime, and we very much hope that they can come home soon.

Beyond that, our other concerns about the DPRK are well known. We are very focused, as I mentioned in my introductory remarks, on the illegal ballistic missile and nuclear programs, and this will be a big focus of our dialogue this week with China. I think you know for North Korea we are, as the Secretary has said many times, trying to create a global echo chamber where all countries come together behind the UN Security Council resolutions that have been developed to address North Korea's illicit weapons programs, and we are trying to get all countries to take actions to increase the pressure on North Korea through sanctions implementation and other measures. And that's what we're focused on doing, and that's what we'll be focusing on in this discussion with the Chinese this week.

MS NAUERT: All right, Susan, thank you. Dave Clark from AFP.

QUESTION: In your answer to Nick's question – or he asked whether the – whether there'd be any retaliatory measures taken for the treatment of Otto Warmbier. In your reply, you mentioned concern for the three other Americans. Do you consider the Americans who are there to be political hostages, and do you – is your ability to retaliate for what happened to Mr. Warmbier limited by concerns for them?

MS THORNTON: Well, I think – I mean, the question was about retaliation for the condition under which Otto was apparently – his condition currently, his health condition. And I think my response to that question is that we're very happy to have Otto home and we think that's the most important thing to focus on at the moment. I wouldn't say that we consider in particular the status of the three other Americans in North Korea to be that – the pivotal issue here, but we are concerned for their welfare and we definitely would like to see them return home as soon as possible.

I think that all of these issues underscore the risks associated with travel to North Korea. We strongly, of course, recommend against all travel by U.S. citizens to North Korea, and we urge anyone considering travel to North Korea to read our Travel Warning on our website.

But as far as specific concerns about Otto's condition, I think I've responded to that.

MS NAUERT: Okay. Anne Gearan with *The Washington Post*.

QUESTION: Hi. And I apologize if I missed part of this. Two things: Could you talk a little bit about what role U.S. concerns over Chinese activities in the South China Sea, specifically the island building for a potential military use, will play in this discussion? Does the Secretary still think that China should be prevented from building or using those islands? And secondly, is there a press conference planned at any point during the day Wednesday?

MS THORNTON: Thank you. So I think on the issue of details on the press conference, I'm going to leave that to our Press Office to fill you in on the specific details later. I think those details are still in train. So we'll be getting back to you on that.

The issue of South China Sea – certainly, the issue of South China Sea and maritime disputes in general in Asia and elsewhere will be a topic of discussion at the dialogue. The United States believes that it's very important to ensure that these disputes are resolved peacefully and in accordance with international law. I think the Secretary has commented previously on the concerns we have over China's island-building in the South China Sea and the possibility for militarization in that area. And I think what we will be looking for is – now that there has been some move to continue with diplomatic resolution of these issues through discussions among ASEAN on the code of conduct, what we think should happen is that all parties should freeze any construction or militarization of features that they have

outposts on in this space, and make room and create the conditions for diplomacy.

We think it's important that tensions are lowered over these issues, and that certainly issues are resolved in accordance with international law and including UNCLOS, the UN Law of the Sea Convention.

MS NAUERT: Okay, thank you. Frankie?

STAFF: Reuters.

MS NAUERT: Reuters, please.

QUESTION: Yeah, hi. It's David Brunnstrom from Reuters.

MS NAUERT: Hi, David.

QUESTION: I just wanted to – can I ask: Is there going to be any specific discussion on new sanctions on North Korea, with the Chinese, for instance – possibility of an oil embargo or some such? And also, on this issue of the diplomatic bag that North Korea says was seized, can you give us any information on that as to why that happened? And is that provided for under UN resolutions on North Korea? And if so, what was the – what were the offending articles in the bag?

MS THORNTON: Yeah. So with regard to sanctions on North Korea, as I mentioned in my introduction, the Secretary has talked about sort of ramping up pressure on North Korea, and that is clearly what we're going to be pursuing with the Chinese this week as not only our strategy but the strategy of the international community to try to change the calculus on the part of the North Korean regime, make a decision to abandon its illegal ballistic missile and nuclear programs, and come back to the table with a clear demonstration of a possibility of talking about abandonment of those programs.

We have seen a lot of response on behalf of the international community to the efforts not only under the UN Security Council resolutions to ramp up implementation of the sanctions and thus pressure caused by that, but also we've seen actions taken by countries sort of unilaterally to keep pressure on the North Korean regime. We've had a number of countries halt visa issuances to North Korean laborers, and two of them are phasing out the use of these workers. A lot of the wages of these workers go to the regime and to fund unlawful programs in North Korea. We've seen the national airline of North Korea, Air Koryo, become more limited in its flight routes as countries have denied landing rights and refueling privileges to the national airline. We've had a lot of shipments interdicted of arms and other related materiel that's consistent with the UN Security Council resolution obligations. We've had expulsions and reductions of diplomatic presence of North Korean missions in foreign countries, which comes from the recognition that they're using, in some cases, these diplomatic missions to facilitate proliferation activities. So we've seen a lot of different countries step up and take action on the pressure campaign, and I think we've also seen, of course, notable cooperation from China.

China is the leading kind of facilitator for North Korea's economic activity. And so we think that it's very important that China do more to implement UN Security Council resolutions. We've seen them endorse these three very tough UN Security Council resolutions with tough sanctions. Most recently we had UN Security Council Resolution 2356 that was passed. China has imposed, as you probably know, this coal ban which is clearly affecting DPRK's ability to export coal, but we would like to see China do more, and we're going to be talking to them about that this week. The UN panel has designated hundreds of DPRK entities, and many of those try to get business done through China, and we're working with China to pursue those, and we will continue to be working with them on that. We have made clear that we're going to take actions where we need to to protect our financial system where necessary, but we certainly intend to continue the cooperation with China and hope to see them respond to that.

On the question of the diplomatic bag, I think there was certainly in New York, as in other locations around the United States, there's a lawful outbound inspection of all passengers, including persons holding diplomatic visas. So I think it's important to note that the inspected individuals in this case are not exempt from inspection at our nation's ports of entry or departure. I understand that this was an action that was undertaken by the Department of Homeland Security, so I would refer you to them for any details. I don't have any other details of the inspection or what was found in the course of the inspection.

MS NAUERT: Okay. Susan, thank you. Eric Geller with Politico.

QUESTION: Hi. Thanks for taking my question. I'm curious about the cyber component that you mentioned at the top. Can you just kind of expand on the preparations for the first meeting of that kind of part of the dialogue and whether you expect that to come up in the context of this first meeting given the 2015 deal between President Obama and President Xi?

MS THORNTON: Sure, yeah. So the law enforcement and cyber dialogue, which was established in the previous administration – you're correct – was – is a dialogue that's led by the DHS secretary, Secretary Kelly, and the attorney general, Attorney General Sessions, with their Chinese counterparts, and we will be preparing to hold that dialogue probably later on this year.

I think that cyber issues – we've had quite a bit of discussion and cooperation ongoing with China on cyber issues and on law enforcement issues more generally. We've been working very closely with China on issues surrounding lifting of dangerous precursor chemicals like Fentanyl. So that's – DEA is part of those discussions and also other law enforcement agencies in the U.S. and on the Chinese side. We're continuing to discuss in law enforcement channels return of illegal migrants from the United States to china, and also, of course, continuing to discuss various cyber cases, cases where we find cyber criminals, hacking, and other similar types of cases. We have another dialogue called the law enforcement working group, and we think that that group will probably meet to discuss these issues at the sort of the deputy attorney general – deputy assistant attorney general level before we hold the high-level dialogue. But I think we're continuing to exchange

information and make progress on all of these cases.

I think the cyber discussion will come up in our Diplomatic and Security Dialogue, but more – not as much related to specific cyber crime cases as relates to the development of cyber norms. We have – this is the highest level civil-military dialogue that we have with China, so there are a number of issues related to cyber space and development of international norms for managing cyber space among militaries, and I think that those issues will come up also in the dialogue.

MS NAUERT: Okay. *New York Times*, Gardner Harris.

QUESTION: Hi, thanks for taking the call. Susan, you all seem to be separating out a lot of these dialogues in hopes that you can resolve each issue individually, but the President seemed to link the trade and the security stuff at Mar-a-Lago when he sort of said that we're not going to dun China on their currency problems or any of the trade stuff as long as they're helping us on North Korea.

Can you now pull those issues really apart? And isn't that made more complicated by the fact that the President on Wednesday is going to go to Iowa and talk about Chinese trade issues in the midst of this security dialogue? In other words, you have – you are, it seems to me, trying to pull apart the trade and the security stuff, but is that really possible considering what has happened so far and what is continuing to happen?

MS THORNTON: Yeah, that's a good question – thank you for that – because I think there has been a little bit of confusion on this issue. But what I would say and what I know that the Secretary and I think the White House and the President mean when they talk about sort of U.S.-China relations and all of these very complicated and myriad issues that we deal with them on, we want to have a very constructive and results-oriented relationship with China.

And we have so many different areas where we need to work with China, the biggest sort of manufacturing or producer of a lot of illicit chemicals that are coming over here through Mexico and elsewhere, the second largest economy in the world, a very considerable trading partner and investment partner, but also a lot of – I mean, we have a lot of cyber issues, we have a lot of mil-mil interactions.

So I think what we're thinking, the way we're thinking about it, is we want to have good cooperation with China on North Korea. We have determined that both of our countries have overlapping and mutual interests in making sure that North Korea's illicit ballistic missile and nuclear programs are halted and rolled back. So we ought to see really good cooperation between the United States and China on that issue. And if we're not getting it, it's going to color the sense, I think, among people as to whether or not China also wants a constructive and positive relationship with us.

So I think it's not a direct kind of linkage, as sometimes people have raised that issue and wondered if we're directly linking a trade issue with a North

Korea issue. But it's more a sense of will the overall performance in the relationship reflect that China wants to have a constructive relationship with us as we do with them. I hope that answers it.

MS NAUERT: And we have time for one last question. Nike Ching from VOA, please. Nike, you still there?

QUESTION: Yes, I'm here.

MS NAUERT: Okay.

QUESTION: Thank you so much for this call. Susan, you mentioned defeating ISIS is also one of the – on the agenda. The cooperation on fighting ISIS or combating terrorism has been marginal between the two countries over the years. China is not a member of the 68-member global coalition. What is the U.S. looking for from these talks regarding seeking cooperation to address this global threat?

And separately, the talk came after two Chinese citizens were killed by ISIS in Pakistan. Did this help U.S. making the case when it's seeking cooperation from Beijing?

And finally, for planning purposes only, can we expect a fact sheet or a joint statement after the talk ended on Wednesday? Thank you.

MS THORNTON: Okay. Thank you very much for that. So my response on the defeating ISIS question is similar to my response to the earlier question from *The New York Times*, which is we believe that China is increasingly affected by the growing global challenge of terrorism. And I think that the issue you raised about the two Chinese citizens being taken hostage and then killed in Pakistan sort of underlines that thesis that China is increasingly going to be not only affected, but running into terrorism in places where it is overseas. Its overseas interests are growing, it's investing more in other places, it's going to have an impact on governments and stability in other countries as it moves into those countries with major investments, and we think that China needs to be more involved in the global efforts to combat terrorism. Up to now, they've taken a fairly limited profile in counterterrorism efforts undertaken by the international community – you mentioned they're not in the 68-member coalition – and we would like to see them step up and take more responsibility. They have a lot of interest, for example, in Iraq and we think that they should be doing more to contribute to the efforts of the international coalition to defeat ISIS.

I think we've seen them become more interested over time. It's kind of an early feelers, if you will, on getting more involved in this, and we'd like to have a good discussion with them about what more we think they could do. Certainly in the way of providing resources to governments that are battling against terrorism and trying to help with capacity building for governments and security forces in various places, they've been involved in some of this effort, but very, very limited to date, and I think that we are interested in seeing what else they could do.

On the issue of a fact sheet, we're still discussing with the Chinese what kind of outcome we're going to have from the dialogue. I don't think there will be a joint statement, but we anticipate that there will be some kind of a press statement or a fact sheet issued, yes.

MS NAUERT: And we are still – this is Heather here – we're still working through some of those issues, so stand by on that and we'll get you more as we have it.

Everyone, thank you for joining us for the call today, and a special thanks to Susan Thornton. She's fantastic, knows a lot about this stuff, so, Susan, thank you so much. The call is ended now and the embargo has been lifted, and we'll see you all real soon. Thank you.

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